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18 AUGUST 1987



**FOREIGN  
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# ***JPRS Report***

## **East Asia**

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***Southeast Asia***

18 AUGUST 1987

EAST ASIA  
SOUTHEAST ASIA

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## AUSTRALIA

### BRIEFS

**TRADE DEFICIT FIGURES**--There has been a further improvement in Australia's monthly trade position. The Bureau of Statistics says the current deficit in June was \$868 million [Australian dollars], \$59 million less than in May. The current account deficit for the financial year just ended was \$13,400 billion, close to the government's forecast and \$1,000 million lower than the previous year. In June, the value of physical exports show the surplus over imports for the second month running. The bureau says exports, seasonally adjusted, rose by 4 percent with the trend of exports showing a small increase for the fourth successive month. Imports rose by 2 percent with half the rise due to office machines and computer equipment and the purchase of two civil aircraft in June worth \$60 million. [Text] [Melbourne Overseas Service in English 0430 GMT 15 Jul 87 BK] /9599

**SHIPBUILDING WITH NEW ZEALAND**--The New Zealand has given final approval to a joint naval shipbuilding program with Australia. The New Zealand prime minister, Mr Lange, says Australia plans to acquire eight ships while New Zealand will replace four of its ageing frigates. Mr Lange says there is to be an advantage to both countries in having a common design for the ships which are expected to be built in Australia. As yet, New Zealand has not decided whether to take part in the construction program. The principal role of the new ships would be long-range patrol and surveillance, and they will also have a basic combat capability. [Text] [Melbourne Overseas Service in English 0430 GMT 15 Jul 87 BK] /9599

**U.S. AGRICULTURE POLICIES CRITICIZED**--The primary industry minister, Mr Kerin, has launched a strong verbal attack on the agriculture policies of the United States. Opening a conference sugarcane farmers in Queensland, Mr Kerin said that while there were equally damaging agriculture policies in other countries, he made no apologies for singling out the United States. He said a recent study by the Bureau of Agricultural Economics showed American policies had lowered the world price of sugar by an average of 9 percent. Since 1981, Australian sugar exports to the United States had fallen from half a million tons to 160,000 tons. Mr Kerin said Australia would lose its sugar market to the United States if the American policies remained in force. [Text] [Melbourne Overseas Service in English 0430 GMT 20 Jul 87] /9599

CSO: 4200/727



AUSTRALIA REPORTS COUNTRY'S GARRISON OFF NORTHERN COAST

Sydney THE BULLETIN in English 21 Jul 87 p 48

[Article by John Stackhouse]

[Text]

INDONESIAN soldiers have reportedly garrisoned some of the islands just to the north of Australia, according to travellers who have returned recently from these outposts. The islands south of West Irian include the Tanimbar and Aru groups, which are only about 20 minutes flying time north of Bathurst Island, north of Darwin.

The strategic importance in the Arafura Sea of these islands emerged in World War II when the Japanese used them as an advanced base. From these bases, Japanese special forces actually landed on the Australian mainland. Bases in this group and on other islands also deployed small craft and flying boats for reconnaissance of northern Australia.

The reason for the arrival of the Indonesian army formations is not known, although students of Indonesian affairs point out that the army has a developmental as well as a military role. There has been no evidence of any breaches of Australian sovereignty.

In fact Indonesia and Australia are, in this region, close to defining the seabed boundary between the two countries, the first step in exploring for oil in the area south of Timor.

The attitude in Canberra is that the Indonesians have the right to do what they want to do in their own territory. There is no evidence of any

security threat to them, either from local insurgency (apart from east Timor and West Irian, which again are some distance from the islands off Australia) or of fears of an Australian military build up.

The Indonesian troop movements, which are described as being comparatively recent, follow a hostile reaction by the Indonesian military to the initial report by analyst Paul Dibb, which formed the basis of the defence White Paper. Some Indonesian army commentators were paranoid about the claim

statements that any real threat to Australia could only reach these shores by traversing the Indonesian archipelago. An Indonesian armed forces paper accused Australia of preparing to stab Indonesia in the back.

Indonesia's main defence effort focuses to the north. The republic is suspicious of China and concerned about the strength of Vietnam. There are disputed reefs and islands in the China Sea in what could become an oil province. There is also the Moslem insurgency in the south of the Philippines and the communist insurgency elsewhere that threatens the stability of Indonesia's neighbor.

If the Indonesian troop movements prove to be a response to Australia's new defence policies, the Canberra lobby which takes the view Indonesian sensitivities must not be aroused will be



strengthened in their opposition to proposals being debated in the academic area that Australia should create defence bastions on its own outlying territories of Cocos and Christmas Islands.

Dr Ross Babbage, of the Strategic and Defence Studies Centre of the Australian National University has presented a draft paper on the defence significance of the two territories. The paper is part of a research project on the defence of northern Australia which will not be completed until next year.

The Cocos Islands are closer to Perth (2700km) than Darwin (2750km) and closer still to Java Head at the entrance to the strategic Sunda Strait (about 1200km). They are actually 27 small coral islands and are important to Australian cable communications. An airstrip, which was once used for passenger services across the Indian Ocean, is now regularly used by RAAF reconnaissance aircraft or for transit flights.

Christmas Island is much closer to Indonesia. It is only 360km south of Java Head and 1400km from Northwest Cape in Western Australia.

The orthodox defence argument is that it would be too costly for Australia to attempt to hold these remote islands. Babbage argues firstly that as Australian territory, the nation has a responsibility to defend them and their inhabitants. Moreover from the Australian point of view, forward basings of strike, fighter and reconnaissance aircraft would greatly contribute to the security (from the Australian point of view) of the Indian Ocean. Radars and radio monitor-

ing stations on the islands would assist in gathering intelligence.

Babbage prepared maps showing that radars carried to a height of 3000m in tethered balloons from these islands would provide early warning information about any intruders into the northwestern approaches to Australia.

The radars would scan over western Java, including Bandung and Jakarta. Strike and fighter aircraft from island bases could range over Indonesia and the South China Sea in the north to the Bay of Bengal in the west.

It is this capability which worries Australian observers. They have said publicly that to fortify these islands would precipitate the very confrontation with the Indonesian military that our defence stance seeks to avoid.

On the other hand, Babbage and his supporters counter, abandoning the islands would be an invitation for potential aggressors to step up pressure on Australia. For his part, Babbage says he has not made up his mind whether or not the islands should be incorporated in national defence planning. But they are an important asset and responsibilities that cannot be ignored.

/9274

CSO: 4200/739

KOMPAS VIEWS ASEAN ECONOMIC MINISTERS MEETING

BK181515 Jakarta KOMPAS in Indonesian 14 Jul 87 p 4

[Editorial: "New milestones in ASEAN economic cooperation"]

[Text] The three day meeting of ASEAN economic ministers, which ended in Singapore on 11 July, produced a number of substantial resolutions. If what was jointly formulated by the ASEAN ministers can be endorsed at the upcoming ASEAN summit meeting in Manila in December, those resolutions deserve to be a birthday gift to the regional grouping, which marks its 20th founding anniversary this year. ASEAN will also make its presence felt at international forums, while at the same time it gives a new meaning to be its citizens.

A great deal of preparations indeed have to be done to realize the common aspirations. The problem of conflicting interests and aspirations also have to be solved. However, the agreement reached by the ASEAN economic ministers seemed to have given a shot in the arm to the regional grouping, which has in turn created a new optimistic prospect.

The most encouraging things from the resolutions adopted by the ASEAN ministers are their common views toward economic problems which affect their common interests, including their approach toward world trade, their courage to make decisions which put aside false pride, such as excessive nationalistic feelings, and their willingness to be more open and make sacrifices on certain areas for the sake of common progress and development.

Such positive attitudes are reflected from their decision to relax the requirements of foreign investment, including the amount of funds for investment, the obligation for foreign investors to use domestic components and materials, as well as the import duties for commodity goods. The protectionist walls within the grouping's member countries will also be dismantled to facilitate intra-ASEAN trade by reducing import duties and increasing the number of commodity goods to be exempted from such import duties.

However, the central theme of the resolutions, which is expected to produce new hopes, is the sense of realism demonstrated by the ASEAN economic ministers.

Even though Singapore Trade and Industries Minister Brigadier General Lee Hsien Loong explicitly stated that the expansion of the ASEAN economic cooperation would not lead to a common market of Western European countries, the efforts currently being exerted by the ASEAN countries, when judged by any standard, is an extraordinary undertaking.

In a sense, the increasingly integrated economies of West European countries' are a positive phenomenon which ASEAN will never achieve. The motivation for such phenomenon to arise has actually existed for a long time in Europe, especially after the bitter experiences those countries had to undergo during the era leading up to World War II. Up until then, West European nations continued to engage in hostile destruction among themselves in a historically cyclical pattern. However, they are also strongly motivated to discontinue such vicious cyclical pattern and decided to establish the highly successful European Economic Community.

In addition to the said motivation, there is still another factor which facilitates the European countries to build their economies. Culturally speaking, they are a homogenous group which has a relatively similar cultural heritage, religious, customs, and lifestyle. Even if there are differences among them, they are comparatively far smaller than those found among the ASEAN member countries. It can even be said that the cultural and religious differences between two different areas within any given ASEAN member country, with the possible exception of Thailand and the Philippines, are greater than those between two countries within the EC. All in all, the historical and cultural heterogeneity of ASEAN can easily discourage anybody.

Despite this heterogenous nature, ASEAN is capable of seeking similarities and reduce the existing dissimilarities. The absence of serious and fierce hostilities among ASEAN countries on the same level with Western European countries during World War II is an achievement in itself. Right now, the South Asian Association for Regional Cooperation, consisting of South Asian countries of India, Pakistan, Nepal, Bhutan, Bangladesh, and Sri Lanka, is still plagued by serious competitions and at times, strong hostilities among its member countries. The same is true with other regional groupings in Africa and Latin America.

What ASEAN has jointly achieved during its 20th year of existence is probably not much. However, viewed from the above dimension and based on the cooperative spirit shown during the recent ASEAN meeting in Singapore, the peoples of ASEAN can cherish hopes for a better and brighter future, and the world can testify that the growth of ASEAN is a unique phenomenon which will be able to give positive contribution to the pattern of cooperation among nations in the world

CSO: 4200/729

## PERTAMINA NOT WORRIED ABOUT PRC COMPETITION

Jakarta ANTARA NEWS BULLETIN in English 17 Jul 87 pp A2, A3

## [Text]

Jakarta, July 17 (ANTARA) - The People's Republic of China has not been the main competitor to Indonesia as a crude oil exporter, since the oil fields they are exploiting are less significant, A.R. Ramly, president director of the state-owned oil company Pertamina, disclosed here Thursday.

Speaking at a parliamentary hearing here Friday, Ramly further said that recent reports on oil prospecting by foreign oil companies in China showed that the oil production of that country was relatively small in quantity and far from their expectation.

Therefore, he went on, China would not be able to compete with Indonesia in the near future, particularly in her oil export to Japan.

Indonesia is currently producing some 1.3 million barrels of crude oil per day, with most of them exported to Japan. While China is now producing some 2.5 million barrels per day, with most of them exported to the Soviet Union and Japan.

In the last few years, China's oil production had been decreasing due to technical difficulties and the high transportation cost of the Daqing oil from the north to the south in order to meet the increasing demand of oil in the southern part of China.

## Import from Indonesia

A.R. Ramly further said in the hearing with the House Commission VI led by its vice chairman Anwar Nurris that China in order to meet its domestic demand of oil in the southern part of that country as of later this month would import some 500,000 barrels of oil in one shipment from Indonesia.

The contract was signed in Hong Kong last month by a subsidiary of Pertamina, Perta Oil, and China's state-owned oil company Sinochem, he added.

Sinochem has been importing oil from Indonesia since 1986, and last year China imported two million barrels of crude from Indonesia in four shipments.

China has been importing oil from Indonesia since the Indonesian oil of the Minas type was cheaper compared with that of its Daqing oil which was so expensive due to transportation cost.

**INVESTMENT BOARD CHIEF STRESSES JAPAN'S IMPORTANT POSITION**

Jakarta ANTARA NEWS BULLETIN in English 19 Jul 87 p A2

[Text] Bandung, 19 Jul (ANTARA)—Japan has an important position in Indonesia's foreign economic relations viewed from development, trade and investment fields, according to Junior Minister for Promotion of the Use of Domestic Products Ginanjar Kartasasmita.

Ginanjar said further at a seminar on development of Indonesia-Japan economic relations here recently that for Japan Indonesia had a strategic position.

Economic relations between the two countries grow in line with the progress of the world economic development, which in the past some years has led to the creation of new balances in the world economic order, he pointed out.

Japan is one of the most important trade partners for Indonesia, according to the ministers. In this connection, he pointed out that about 44.8% of Indonesia's exports went to Japan and 29.1% of Indonesia's imports came from that Far-East industrialized country in 1986.

Indonesia has so far enjoyed surpluses in trade with Japan since around 65% of Indonesia's oil exports go to Japan. The Indonesian share in oil supplies to Japan reached 11.5% last year, indicating a decline compared with 13.3% in 1984.

Referring to the role of Japan in the investment field in Indonesia, Ginanjar disclosed that 27.2% of foreign investment projects approved by the government in the first six months of this year involved Japan's capital.

Viewed from the total amount of foreign investments, the value of Japan's capital invested in Indonesia at present is estimated at about 33.6% of the entire foreign investment obtaining permits from the government in the first semester of this year.

Viewed from the whole direct investments in the world, Japan's investments in Indonesia cover around 10% of the world's direct investments.

/9274

CSO: 4200/742



## TARIFF REDUCTION IN ROK'S FAVOR EXPECTED

Jakarta ANTARA NEWS BULLETIN in English 7 Jul 87 p A5

[Text]

Jakarta, July 7 (ANTARA) - Visiting South Korean Trade and Industry Minister Dr. Woo-Bae Rha has called on Indonesia to give further market access for Korean goods in Indonesia, among other things by giving tariff reductions on items of interest to Korea in a bid to reduce his country's trade deficit with Indonesia.

Minister Woo-Bae Rha said at a press conference here Tuesday almost 80 per cent of Korea's imports from Indonesia consist of primary products which are expected to grow rapidly as the Korean economy continues to develop.

"There is more room for Indonesian manufactured products in the Korean market", he said, adding that therefore the Korean goods should also be given further market access in Indonesia.

The trade balance between the two countries, according to the Korean minister, has been always in favour of Indonesia, with the deficit of the Korean side from 135.4 million US dollars in 1983 to 249.5 million US dollars in 1986.

He was convinced that the tendency will continue to deepen Indonesia's favour in trade with South Korea thanks to the 20-year long-term contract between both nations for the supply of Indonesian LNG (liquefied Natural Gas) to Korea in amount of about 600 million US dollars per year, delivery of which have already started since last year.

During his stay here, Dr. Rha paid a courtesy call on President Soeharto Monday and met with Finance Minister Rudi Pradi, Industry Minister Hartarto, Minister/State Secretary Sudharmono and Junior Minister for the Promotion of Domestic products.

In his talks with his Indonesian counterpart, Rachmat Saleh on Monday, the two trade ministers discussed various aspects of bilateral economic relations, including trade, investment and technology collaboration as well as ways to enhance the ties.

/9274

CSO: 4200/738



**PERTAMINA CHIEF ON EXPLOITATION OF GEOTHERMAL RESOURCES**

Jakarta ANTARA NEWS BULLETIN in English 17 Jul 87 pp A4, A5

[Text]

Jakarta, July 17, (ANTARA) Indonesia's geothermal potential is about 10,000 MW and 55 per cent of which is found in Java, President Director of the state-owned oil company Pertamina A.R. Ramly told parliament (DPR) here Thursday.

If all the geothermal potential could be exploited, the country could save at least 200,000 barrels of oil daily, Ramly commented.

"Only ten per cent of the geothermal potential is needed to to save 10,000 barrels of oil per day", he added.

He said that geothermal could be exploited endlessly. Unlike the other energies such as coal and oil which could be depleted whenever their resources are fully exploited.

The exploitation of geothermal energy in the country, however, faced several constraints.

He said large investments were needed to develop a geothermal project. Moreover, it would take to nine years from the start of its development to show results.

The state-owned electricity company (PLN) which is providing electricity to the public even considered that geothermal energy was not the cheapest energy.

Coal and hydro-electric power are more competitive because the former are considered cheaper.

Geothermal electricity is costly because its exploitation is funded with commercial money.

Furthermore, its use is only possible at the site of the source or channelled from the site. Other energies could be exported.

/9274

CSO: 4200/738

GOVERNOR ON EAST TIMOR'S DEVELOPMENT

Jakarta ANTARA NEWS BULLETIN in English 18 Jul 87 pp A2, A3

[Text] Dili, 18 Jul (ANTARA)--The development process in the province of East Timor over the past 11 years has produced encouraging results through the steadily improving standard of life of the people.

The development results are obvious in the steadily increasing food production, the improvement in economic and health conditions as well as in communication facilities, and the progress made in the education of children which now has reached even the remotest rural areas.

This condition should be preserved and further stepped up, East Timor Governor Eng Mario Viegas Carrascalao said here Friday at the commemoration of the XI-th anniversary of the East Timor province.

In the coming years, he said, emphasis should be given to development priorities.

The education sector which plays a decisive and central role in the development process should be further stepped up and given more serious attention, which has been started with the announcement of the illiteracy eradication campaign on May 2, 1987.

Apart from that, vocational training should be extended to meet the region's demands, he added.

He reminded that although East Timor had made rapid progress in its development process, the region was however still confronted with big challenges in its development efforts, in particular in its main task to overcome backwardness, ignorance and poverty after it succeeded in freeing itself from 450 years of colonial rule.

The governor further called on the East Timorese people to work hard to improve their standard of living in order to reach the same level as their brethren in the other provinces of Indonesia.

/9274

CSO 4200/742

**DISPUTE OVER AGUS SUDONO'S REELECTION TO ILO SETTLED**

Jakarta ANTARA NEWS BULLETIN in English 11 Jul 87 pp A6, A7

[Text]

Jakarta, July 11 (ANTARA) - Problem concerning membership of the former head of Indonesian Trade Union (FBSI) which is now known as the Indonesian Workers Association (SPSI), Agus Sudono, in the governing body of ILO (International Labor Organization) has been settled which means that the government will not air protest to Sudono's membership in the organization.

The settlement of the problem was reached here Friday through a deliberation among Agus Sudono, SPSI chairman Imam Sudarwo, Secretary General of Manpower Ministry Sutopo Yuwono and Manpower Minister Sudomo.

The problem emerged in the recent ILO meeting in Geneva during which SPSI which was represented by three organizers among others Arief Sonmadji, the secretary general, aired protest against Sudono's nomination as member of the international organization's governing body.

SPSI was of the opinion that Sudono had no right to represent Indonesian workers.

However, Minister Sudomo conceded to the press that SPSI's protest which was addressed to ILO director general during the Geneva meeting was inappropriate.

If the organizers wanted to make their complain accepted, they must submit it during a discussion preceding the meeting, the minister added.

The Minister also said that Sudono's membership actually was not a serious problem because the important thing was how he could fight for the national interests in the organization and not be used by other parties for their own advantages.

**ILO support**

According to an ANTARA source, Sudono's nomination received full support from ILO because the organization considered him to have carried out his duties very well.

Quoting an ILO official, the source said that it would not be possible for the organization to disregard a man like Agus Sudono who have conducted "very good", even "very excellent" jobs.

He further said that nomination to the governing body of ILO was first of all based on dedication, seniority and efforts to fight for the interest of laborers and not on the government's approval or disapproval.

Minister Sudomo told the press that Sudono went to Geneva not to represent any individual or organization but simply in his capacity as ILO's governing body member.

He also said that the Indonesian government would not air protest to ILO's decision because it concerned an international organization's confidence on an Indonesian citizen.

/9274

CSO: 4200/738

## PROJECTED COAL PRODUCTION, CONSUMPTION

Jakarta ANTARA NEWS BULLETIN in English 15 Jul 87 pp A6, A7

[Text]

Jakarta, July 15 (ANTARA) - The state-owned Ombilin coal mine in West Sumatra and privately run Bukit Asam coal mine South Sumatra have projected their coal production to 4.5 million metric tonnes per annum in the next four years, the Ministry of Mines and Energy said here Wednesday.

It said that the Ombilin coal mine at present produced 900,000 metric tonnes of coal per annum, while the coal output of PT Bukit Asam Coal Mine is 1,015,216 metric tons per annum.

The Ombilin coal mine has just completed its first phase construction of additional mining facilities at its mining sites in Ombilin and Parembahan.

After the completion of those facilities, it went on, the Ombilin coal mine would be able to increase its annual production in the next four years.

The Parembahan mine, which constitutes an open mine, in the first quarter of 1987 produced 100,000 metric tons of coal and is expected to produce 300,000 metric tons in 1988. The production is projected to increase further to 500,000 metric tons in 1989.

Last year, Indonesia produced 2.55 million metric tonnes of coal. It was a drastic increase compared with 336,000 tons in 1980.

According to a recent statement of Minister of Mines and Energy Prof. Subroto, Indonesia has coal deposits of about 23 billion metric tons, and 18 billion metric tons of them are of lignite.

## C o n s u m p t i o n

The ministry further said that the consumption of coal as one of energy sources for power generation and cement factories would also increase to five million metric tons from the current 1.38 metric tons by 1990, and would further increase to eight million metric tons by 1995.

Cement factories, it went on, would in 1990 absorb a total of 2.6 million metric tons of coal and 3.7 million metric tons in 1995.

## COMMENTARY VIEWS END OF ECONOMIC CRISIS

BK180244 Jakarta Domestic Service in Indonesian 1200 GMT 17 Jul 87

[Station commentary]

[Text] The government stated through Finance Minister Radius Prawiro that the worst economic crisis of the last two years has passed. Speculations on foreign currencies, particularly the U.S. dollar, have been eliminated. At the same time, economic observer Professor Sumitro Joyohadikusumo retracted his pessimism about the predicted national economic growth, which he expressed early this year. Sumitro at that time predicted that the economic growth would increase to 2.2 percent in 1986 from 1.9 percent in 1985. However, the country managed to achieve a 2.8 percent growth in 1986. The senior economist has recently predicted that the national economic growth will reach 3 percent this year and between 3.5 and 4 percent in 1988.

The government's success in getting through this tight period attests to the success of various flexible and on-going steps taken by the government and its vigilance toward developments abroad as well as at home. Without belittling the coordinated role played by many elements, the banking sector has indeed played a prominent role in various breakthroughs, particularly regarding the restoration of the people's trust in our currency and the nation's foreign exchange reserves. The quick and continued response to efforts to overcome monetary and economic problems was reflected in a special meeting at the Bina Graha Presidential Office yesterday between the president and State Minister for National Development Planning and Chairman of the National Development Planning Board J.B. Sumarlin, Minister and State Secretary Sudharmono, Finance Minister Radius Prawiro, and Central Bank Governor Arifin Siregar. After the meeting, the Central Bank governor said that the head of state had directed the Central Bank to continue its deregulatory steps, i.e. readjusting the procedures in the transaction of Bank Indonesia certificates and exchange securities, as well as the extension of discount facilities. These follow-up steps were intended to give greater flexibility to the Central Bank in maintaining the stability of the nation's foreign exchange and to also develop the people's trust.



What we have pointed out is certainly good news which should be warmly welcomed. However, we continue to hope that caution and vigilance will be firmly maintained. On the other hand, the people, particularly those in the business circles, must also help create a healthy atmosphere rather than being easily influenced by speculative issues which developed some time ago.

/12913

CSO: 4200/729

## PARLIAMENT BRIEFED ON BANNING OF NEWSPAPERS

Jakarta ANTARA NEWS BULLETIN in English 16 Jul 87 pp A2, A3

[Text]

Jakarta, July 16 (ANTARA) - Parliament has asked the government for its reasons for the revocation of the licences of Sinar Harapan and Prioritas dailies this year.

The question was raised during a working meeting of the House Commission I with Information Minister Harmoko here Wednesday, presided over by the Commission's vice chairman Rusli Deso.

In reply Minister Harmoko said that his ministry had issued a warning to Prioritas before the revocation of its license.

Prioritas, besides producing insinuating and publishing sensational stories has also abused the government's permit by carrying more general than economic news stories, he said. The newspaper is said to have been given a permit as an economic newspaper.

The minister said that the revocation had been decided upon after a deep, long and careful consideration.

The government always conducts a dialogue and gives a motivation to return to the right path when a newspaper is deviating. And if the newspaper still continues with its deviation it will still be given an oral warning. It is only after this that the government will resort to a written warning, which would be the last.

If all these warnings are still neglected the newspaper is unable to adhere to and understand the values of a free and responsible press, Harmoko said.

The problem is then referred to the Press Council for consideration and it is upon the consideration of the Council that the government has revoked the license of the newspaper, he added.

/9274

CSO: 4200/738

## BRIEFS

**ACEH CEMENT PLANT SWITCHING TO COAL**--Banda Aceh, 8 Jul (ANTARA)--PT. Semen Andalas Indonesia (SAI) cement factory in Lhok Nga, Aceh Besar, will as from September this year run on coal. Built in 1982, the cement plant commenced production at the end of 1983, and in June 1987 already 50 percent of its operations used coal as fuel. The switch from oil to coal as fuel would reduce production costs by about 30 percent, but SAI spokesman Hamid Ali in his press release Wednesday did not elaborate on the production costs using oil fuel. The coal need to fuel the cement plant is shipped from Ombilin (West Sumatera) and Bengkulu, and unloaded at the company's special port some 16 kilometers west of here. Since the company started production in 1983 till July 1987 it has been running only at 60 percent of its installed production capacity of 2,250 million tons of cement per annum. Thirty percent of its present output is exported to Brunei Darussalam, Mauritius, Bangladesh and Sri Lanka. The full use of coal would enable SAI further increase its output up to 80 of its designed production capacity, Hamid Ali said. [Text] [Jakarta ANTARA NEWS BULLETIN in English 9 Jul 87 p A3] /9274

**PLYWOOD EXPORTS INCREASING**--Samarinda, E. Kalimantan, 11 Jul (ANTARA)--Exports of plywood from East Kalimantan over the past three years have been growing steadily thanks to among other things the favorable conditions in its international marketing and the continual increase in its quality. Head of the local trade office, Tigor Gultom, said here Saturday that the nation's exports of plywood as a non-oil commodity had also been increasing since the last three years. He explained further that in 1983 figures showed that Indonesia exported a total of plywood worth US\$131.76 million--representating 54 percent from the country's total non-oil export sector of US\$244 million. In 1984 the figures for plywood exports rose to US\$172.62 million or 63 percent of Indonesia's non-oil exports amounting to US\$274 million. In 1985 plywood exports continued to increase reaching US\$216 million or about 60 percent from the nation's earning of exports from the non-oil commodity sector which totalled around US\$360 million. [Text] [Jakarta ANTARA NEWS BULLETIN in English 13 Jul 87 p A3] /9274

**MORE MALAYSIAN STUDENTS**--Ujungpandang, 16 Jul (ANTARA)--The Malaysian Education Attache Mohammad Said stated here Thursday that 402 Malaysian students were now studying in several higher-learning institutes in Indonesia and nine of them were enrolled in universities here. He said this when he made a visit to the Ujungpandang Institutes of Teachers Training and Paedagogy (IKIP)

during which he was received by First Assistant Rector Prof Dr Syamsul Mappa and the Third Assistant Rector Drs Amir Sakiman. Under an agreement signed by the government of Indonesia and Malaysia 100 Malaysian students were sent annually here to get knowledge on various sciences, he said. Last year a total of 66 Malaysian students came to Indonesia to study in several Indonesian higher-learning institutes, he added. This academic year, he went on, some 300 Malaysian would-be students had taken part in New Student Enrollment test held at the Kuala Lumpur Indonesian Embassy, Malaysia. Said hoped the IKIP of Ujungpandang would always open its door to receive students coming from Malaysia. [Text] [Jakarta ANTARA NEWS BULLETIN in English 16 Jul 87 p A6] /9274

**MANUFACTURED GOODS EXPORTS UP**--Since the issuance of the May 6, 1986 policy package and the September 12, 1986 devaluation of the rupiah against the U.S. dollar, Indonesia's exports of manufactured goods in the first three months of 1987 (January through March) rose by 10.9 percent in volume compared with last year's same period, namely from 2,880,688, 5 tons to 3,195,847.2 tons. In terms of value, the exports increased by 10.7 percent, namely from US\$ 1,136,379,100 to US\$1,258,258,300, Minister of Industry Hartarto told a working session with the House Budget commission Tuesday. The deregulation measure in a relatively short time also left a favourable impact on the increase of non-oil exports and the competitiveness of the international market, he said. Businessmen have made constant efforts at boosting their industrial products through technical/financial restructurisation, managerial consolidation, etc. New export-oriented industrial undertakings have also been favourably developing, particularly those using natural resources without too much manpower. [Text] [Jakarta BUSINESS NEWS in English 17 Jul 87 p 6] /9274

**INDUSTRIAL PRODUCTS EXPORTS UP**--Indonesia's exports of industrial products reached 3,195,847.2 tons worth US\$1,258,258,300 in the first quarter of this year, up 10.9 percent in volume and 10.7 percent in value over 2,880,688. Five tons in value at US\$1,136,379,000 in the corresponding period of last year, Minister of Industry Ir Hartarto reported at a meeting with House Commission dealing with the state budget here earlier this week. The increase in the export volume and value of industrial products, according to the minister, is thanks to the implementation of the May 6, 1986 package and the rupiah devaluation on September 12, 1986. Deregulation steps just taken by the government has brought about a positive impact on the promotion of non-oil/gas exports, besides making Indonesian export commodities more competitive on the international market, he explained. In a bid to continuously improve the competitiveness of industrial products, Indonesian businessmen have taken various measures such as technical/financial restructurisation and consolidation in the management. Export-oriented new industries, particularly those absorbing a great number of workers and using local natural resources as much as possible, have smoothly grown. The collection of foreign exchange earnings from exports of industrial products rose by 5.2 percent to US\$4,485.1 billion in 1986 from US \$4,261 billion in the previous year. The export volume increased by about 21.7% from 10,792,954, 3 tons to 13,135,035.6 tons. [Text] [Jakarta BUSINESS NEWS in English 17 Jul 87 pp 4, 5] /9274

**RICEFIELDS KEEP SHRINKING**—Minister of Agriculture Achmad Affandi has stated that ricefields available in Indonesia keep narrowing at an average rate of 55,000-60,000 ha/year, while the creation of new ricefields reaches only about 42,000 ha/year. Affandi told the press after he met with President Soeharto at Bina Graha here recently that with the continued shrinkage of ricefields, there would be only about 7 million ha of ricefields in Indonesia in the year 2000. At present paddy planting in Indonesia covers around 9.8 million ha, comprising 8.8 million ha of irrigated ricefields and 1.082 million ha of dry farmland. The 9.8 million ha of farmland yielded about 26.7 million tons of rice last year. Despite the narrowing of paddyfields, rice production in Indonesia keeps increasing thanks to the improvement in the productivity of farmland. The government has intensified the effort to raise the productivity of paddyfields and the projection in the year 2000 is 5.36 tons/ha. President Soeharto told the minister efforts should be made to meet the target of rice production at 37.5 million tons in the year 2000, comprising 31 million tons for the national consumption and 6.5 million tons for other purposes. [Text] [Jakarta BUSINESS NEWS in English 17 Jul 87 p 7] /9274

**ADB LOAN FOR FISHING PORT**—The Asian Development Bank has extended a US\$5 million worth of loan for the development of a fishery port in Pekalongan, Central Java, as the improvement of port facilities has become urgent to cope with the growing number of fishing vessels unloading fish at the port. Around 25 fishing vessels of 100 Dwt each visit the port everyday, but during the big harvest season the number of fishing vessels entering the port can increase to 30-40 a day, unloading around 180 tons of fish a day. During the big harvest season, a fishing vessel has to wait for at least three days to unload fish it has caught. The loan from ADB will be used to finance the improvement of facilities at the port, including the expansion of the capacity of the fish auction market from 40 tons/day to 200 tons/day. The development of the Pekalongan fishery port will be tendered out this year and the project is scheduled to be completed in 1989. When completed, the pier at the port will be able to serve fishing vessels of 100 dwt. [Text] [Jakarta BUSINESS NEWS in English 15 Jul 87 p 7] /9274

**INDONESIAN-AUSTRALIAN TIES**—Former Indonesian ambassador to Australia, Agus Marpaung, has emphasized the significance of further promoting bilateral, diplomatic, and economic relations between Jakarta and Canberra. He suggested, however, that both countries should have the willingness to realize the importance of such ties for their future benefits. The ambassador saw the relations as having returned to normal after a brief handicap and hinted that the Australian press seems to have changed its attitude toward Jakarta. He said Indonesia-Australia relationship at government level is running well despite differences which can gradually be settled. Agus Marpaung reported to President Suharto yesterday on his 39 month tour of duty in Australia and returned to Jakarta last week. The former ambassador said relations between the two countries will promote further with the visit of Australian Governor-General Ninian Stephens in September and also the visit of Chief Minister of the Australian Northern Territory (Steve Nachan) early next month. [Text] [Jakarta International Service in English 0800 GMT 17 Jul 87 BK] /12913



**NINTH NAM SUMMIT**--Indonesian Foreign Minister Mokhtar Kusumaatmaja said he was optimistic on the support of nonaligned countries for Indonesia to host the 9th Nonaligned Summit in Indonesia in 1989. Although the final decision is to be taken at the ministerial meeting in Cyprus next year, there are already lots of friendly countries that have given their support on the subject, Minister Mokhtar said in a meeting with Commission I of the House of Representatives in Jakarta last night. He said further that the Foreign Ministry has formed a task force which will monitor periodically all developments on the subject. The other candidate is Nicaragua but owing to certain factors, there are indications that there would be some difficulties for Nicaraguan (?officials) especially in facing the security problem at home, Minister Mokhtar said. [Text] [Jakarta International Service in English 0800 GMT 17 Jul 87 BK] /12913

**OUTGOING ARGENTINE AMBASSADOR**--Outgoing Argentine Ambassador to Indonesia Tomas Alva Negri today [15 July] paid a farewell call on House Speaker Amir Makhmud in Jakarta. The House Speaker thanked the Argentine ambassador for his role in promoting cooperation between the two countries. [Summary] [Jakarta Domestic Service in Indonesian 1200 GMT 15 Jul 87 BK] /12913

CSO: 4200/729



DK FORCES AMBUSH TRAIN, ATTACK SRV POST

BK160258 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2315 GMT  
15 Jul 87

[Text] On 5 July, a Vietnamese train leaving Kompong Chhnang for Phnom Penh was ambushed by our National Army at Damnak Smach Station in Udong District, Kompong Speu Province. Using mines, our forces destroyed the locomotive and five cars, killed five Vietnamese soldiers aboard and wounded eight others, and cut off 70 meters of track.

On 8 July, in cooperation with the people and patriotic fraternal Cambodian soldiers, our National Army raided and destroyed a Vietnamese enemy position atop Krapeu Mountain in Battambang District. After 10 minutes of fighting, we completely destroyed and liberated this position, killing six Vietnamese soldiers and wounding eight others; destroying 5 B-40's, 6 B-41's, 1 Cetme, 15 AK's, 1 pistol, 1 C-25 field radio, 1 telephone, 6 bicycles, 15 barracks, 1 rice depot with 35 sacks of rice, 1 war materiel depot, and 1 ammunition depot which exploded and burned down from 2400 to dawn; and seizing 2 RPD's, 3 AK's, 1 SKS, 1 AR-15, 10 grenades, 1 map, and a large quantity of war materiel. We liberated five villages, namely Krapeu Khang Cheung, Krapeu Khang Tbong, Krapeu Khang Lich, Krapeu Khang Kaeut, and Thnal Bambek.

/9599

CSO: 4200/736

VONADK REPORTS GRENADE ATTACKS IN PHNOM PENH

BK160146 (Clandestine) Voice of the National Army of Democratic Kampuchea in  
Cambodian 2315 GMT 15 Jul 87

[From the "Daily Report From Various Battlefields" feature]

[Excerpt] Phnom Penh City battlefield: Our National Army, in cooperation with the people and patriotic Cambodian soldiers, lobbed grenades on the Vietnamese enemy at Phsa Chas, Capitol movie hall, Phsa Toch, Phsa Daeum Kor, and Chrouy Changva bridge.

On 2 July, our National Army, in cooperation with the people and patriotic fraternal Cambodian soldiers, lobbed two grenades on Vietnamese soldiers who were partying in the middle of Phsa Chas market, killing two and wounding three. On 4 July, in cooperation with the people and patriotic fraternal Cambodian soldiers, it lobbed grenades on Vietnamese soldiers at Capitol movie hall and Phsa Toch market, killing two and wounding two. On 5 July, in cooperation with the people and patriotic fraternal Cambodian soldiers, it lobbed grenades on Vietnamese soldiers at Phsa Daeum Kor market, killing two and wounding two. In the night of 6 July, in cooperation with the people and patriotic fraternal Cambodian soldiers, our National Army lobbed grenades on Vietnamese soldiers at Chrouy Changva bridge, killing two and wounding three.

In summary, we killed 8 Vietnamese soldiers and wounded 10 others on the Phnom Penh City battlefield.

/9599

CSO: 4200/736

## BRIEFS

DISTRICT SEAT ATTACKED--Kompong Chhnang battlefields: On 13 July, our National Army in cooperation with the local people and patriotic Cambodian soldiers attacked Toek Phos District's Romeas township. We killed four Vietnamese soldiers; wounded five others; destroyed four AK's, two B-40's, a township [as heard], four barracks, a war materiel warehouse, and some war materiel. We liberated three villages, namely Roleang, Trapeang Chum, and Svay Chek, and cut 1,500 meters of telephone cable. [Excerpt] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 19 Jul 87] /9599

CSO: 4200/736

## BRIEFS

**RETURNEES IN KOMPONG THOM**--Between November 1986 and May 1987, authorities in Stoung District, Kompong Thom Province, received 107 misled persons, including 90 Pol Pot soldiers, 11 Sereika soldiers, and 6 Sihanouk soldiers. They brought along 43 assorted weapons to the local state authorities. [Summary] [Phnom Penh Domestic Service in Cambodian 0430 GMT 1 Jul 87 BK] /9599

**RETURNEES IN BATTAMBANG**--Phnom Penh, 3 Jul (SPK)--In the first half of this year, 34 people misguided by enemy propaganda, reported themselves to the revolutionary authorities in Rattanamondol District, Battambang Province, 300 km northwest of Phnom Penh. The returnees, who brought with them 22 assorted guns and a quantity of ammunition, included 11 ex-Polpotists and 24 ex-Sereikas (Sonsannians). They told the authorities about their past miserable life due to the shortage of food and medicine. Now they are embarking on new life. [Text] [Phnom Penh SPK in English 1105 GMT 3 Jul 87 BK] /9599

**MORE KOMPONG THOM RETURNEES**--During the 1986-87 dry season, 529 misled persons, including 476 Pol Pot soldiers, 94 Sereika soldiers, and 9 Sihanoukist soldiers, were persuaded to return to the fold. They brought along 187 assorted weapons and a large quantity of war materiel. [Excerpt] [Phnom Penh Domestic Service in Cambodian 1200 GMT 6 Jul 87 BK] /9599

**RETURNEES IN SIEM REAP-ODDAR MEANCHEY**--In the 1986-87 dry season campaign, 204 persons misled by enemy propaganda returned to the revolution and their families in Puok District, Siem Reap-Oddar Meanchey Province, bringing along 77 assorted weapons. [Excerpt] [Phnom Penh Domestic Service in Cambodian 1200 GMT 13 Jul 87 BK] /9599

**THAI VIOLATIONS REPORTED**--During the week ending 9 July, Thai L-19's, F-5's, and HU-1A's made 20 reconnaissance flights over the intersection of the three borders [of Cambodia, Thailand, and Laos], the Yeang Dangcum, Kola, Poipet, O Da, southern Malai, and Pailin areas, and Hill 329 (Battambang Province), located 10 to 15 km inside Cambodian territory. Thai gunners lobbed 9,000 shells into the sectors bordering on Thailand. During the same period, Cambodian border guards in cooperation with Vietnamese volunteers during sweep operations put out of action 11 Khmer reactionaries sneaking in from Thailand for sabotage purposes, including 93 killed, and seized 78 weapons and a quantity of other war materiel. Twenty-seven others surrendered, bringing along 18 weapons. [Text] [Phnom Penh SPK in French 0404 GMT 18 Jul 87] /9599

CSO: 4200/736

CHINESE COMMUNITY VIEWED BEYOND 1990

Kuala Lumpur NEW STRAITS TIMES in English 29 Jun 87

[Article by Robert Goh]

[Text]

KUALA LUMPUR, Sun. — The political dilemma of the Chinese in the country is expected to worsen in the long term as their share of the population falls.

A recent study shows that the Chinese portion of the Malaysian population will decline to only 13 per cent by the year 2100, while the Malay share will increase to 83 per cent.

By the year 2000, the same study projects the Chinese share decreasing from the present 34 per cent to 28 per cent, and the Malay share rising from the present 56 per cent to 62 per cent.

This was quoted by MCA chief administrative director Michael Yeoh when delivering his paper entitled *The Chinese political dilemma* at the seminar entitled *The Chinese community towards and beyond 1990 in multi-racial Malaysia* at the party headquarters here today.

Mr Yeoh said the population trend would have wide implications for the Malaysian nation where the share of resources was based on the population proportion of each ethnic community.

He also noted that the Chinese political dilemma in the country — the inability to unite to overcome common problems — stemmed from the Chinese tradition of individualism and a consequent history of disunity, factional squabbles and individualistic leadership.

"This accounts for the different political parties trying to represent the Chinese — such as the MCA, Gerakan, DAP, SDP and those in Sabah and Sarawak — and the many thousands of Chinese guilds and associations.

"Each of these are competing for the same support within the same community, and these divisive forces make the Chinese dilemma more pronounced and serious.

"To overcome this dilemma, Chinese political leadership at all levels must be upgraded.

"There must be the willingness to sacrifice narrow self-interest for the wider community interest," he said.

## POSSIBLE NEW PARTY FOR SABAH'S MUSLIMS

Penang THE STAR in English 23 Jun 87 p 2

[Article by K. Baradan]

[Text] Kota Kinabalu, Mon.—Datuk Harris Salleh, once the leader of the multiracial Berjaya party, has emerged from two years of political hibernation to champion Umno's entry into Sabah.

If this failed, Datuk Harris — who was Chief Minister until Parti Bersatu Sabah (PBS) toppled his Berjaya government in the 1985 State election — said a new party should be formed for Sabah's Muslims as "multiracialism is finished in Sabah."

He told a meeting of about 100 grassroots leaders in a meeting here yesterday: "I am a born-again Muslim. We need to protect our rights."

He, however, showed that he was well aware of the State's power equation when he told those present: "But a Muslim can hope to win, at the most, 18 seats and realistically only 13 of the 48 seats."

"To rule the State, the party must co-operate with other parties representing Kadazan and Chinese interests."

With his statement, Datuk Harris has once again thrown his hat into the political arena which he left on July 14, 1985, when he quit as Berjaya president after the party's electoral thrashing by PBS — one in which Datuk Harris himself lost his Tenom seat.

He had said then that with the PBS winning power, there were only three alternatives for Sabah Muslims — to rally behind Usno, ask Umno to expand to Sabah or form a new party.

His public statements yesterday will serve to fuel speculations that he was orchestrating the continuing search by some Sabah politicians for a vehicle to challenge PBS chief and Chief Minister Datuk Joseph Pairin Kitingan.

Datuk Harris, by deciding to go public, also appears to be taking on the two people who have eclipsed him in the political arena — Usno president Tun Mustapha Datu Harun and Datuk Pairin.



The intricacies of Sabah politics -- which fascinate some and disgust others -- are such that there is a possibility of a "return bout" among the three of them.

Datuk Harris was a Usno vice-president when the party was ruling the State under Tun Mustapha. He quit in 1975 to form Berjaya and, with Kuala Lumpur's backing, toppled Usno from power in 1976.

Nine years later, Datuk Harris and Berjaya were in turn toppled by PBS -- a party registered by onetime Berjaya vice-president Datuk Pairin less than a month before the April election that year.

In that same election, Tun Mustapha -- once again at Usno's helm after a hiatus of about five years -- led his party to win 16 seats.

The 1985 Sabah election and its aftermath -- including the ignominious power grab fashioned by Usno and Berjaya under Tun Mustapha and Datuk Harris respectively -- are now part of the folklore of Malaysian politics.

Last year, Datuk Pairin went to the polls again in a bid to gain an effective majority to govern. The result was a more than two-thirds majority for his party in the State Assembly, with Usno winning 12 seats and Berjaya just one.

But the controversy over Muslim rights in Sabah failed to go away. Then began the agitation for Umno to expand to Sabah with a pro tem committee headed by Datuk Mohamed Dun Banir set up for the purpose.

The move succeeded in gaining Umno's attention and the dominant party of the Barisan Nasional announced it would spread its wings to Sabah -- a move that almost turned into reality the second of the three options mentioned by Datuk Harris in 1985.

But soon, that move got bogged down following opposition from within Umno itself but by that time, Usno had placed itself in the embarrassing position of having adopted a resolution at an extraordinary general meeting (EGM) last November to dissolve itself and merge with Umno.

Tun Mustapha and the Usno Supreme Council were directed by the EGM to carry out the task and Umno deputy president Abdul Ghafar Baba announced the setting up of an Usno-cominated committee headed by Datuk Kassim Kamidin to formalise the procedures.

But Tun Mustapha soon had a change of heart and said that he would try himself to unite Sabah Muslims under his own party and that Umno's plans had been shelved.

That not only went against the decision of the Usno EGM but placed Tun Mustapha in a peculiar position -- he had announced his resignation from the Usno presidency and while the resignation was rejected by the party's supreme council, he has yet to announce if he has officially withdrawn it.

At yesterday's meeting, Datuk Harris seemed to believe that Tun Mustapha and Usno can be written off and that options Two or Three -- Umno coming into Sabah or the formation of a new party -- were now the only alternatives left to Sabah Muslim politicians.

He did, however, give Tun Mustapha a "last chance" when he said that the Tun had until Usno's Sept 4 general assembly to implement the party's EGM resolution.

If not, Datuk Harris made clear what he thought of Tun Mustapha. "Mustapha is out. He is out." Datuk Harris kept repeating at yesterday's meeting.

Datuk Yahya Lampong -- the former Berjaya Youth president who defected to Usno before the 1985 State election and last week announced his decision to quit his new party as well -- called Tun Mustapha a "political failure." It signalled his return to Datuk Harris' fold and making clear that he would be in the forefront of any new party that is set up.

The revolt against Tun Mustapha gained a boost when his son Datu Amir Kahar announced that he would challenge his father's longtime ally Datuk Sakaran Dandai for the deputy presidency at its Sept 4 general assembly.

Datu Amir is obviously hoping to take over from where his brother, the late Datu Hamid -- who was the Usno's secretary-general before his death earlier this year -- left off.

The move is also to preempt reported plans by Tun Mustapha to amend the party constitution to give more powers to its leaders and table a resolution to reverse the EGM decision to dissolve the party.

Party insiders said Tun Mustapha himself may be challenged if he does not back off from this move.

September could, thus, prove an eventful month for Sabah politics for the PBS is also scheduled to hold its general assembly that month.

/13046

CSO: 4200/731

## PBS DOUBTS SUPPORT FOR NEW PARTY

Kuala Lumpur NEW STRAITS TIMES in English 24 Jun 87 p 3

[Text]

KOTA KINABALU, Tues. — Parti Bersatu Sabah (PBS) does not think a new political party proposed by former Chief Minister Datuk Harris Salleh would have much support in the State.

This is because the people had lost confidence in him.

PBS Youth chief Wilfred Bumburing said whilst the people of Sabah supported new political parties, they were selective about political leaders and their backgrounds.

Mr Bumburing, who is Assistant Minister to the Chief Minister, said this when asked to comment on news reports that Datuk Harris and his group might be forming a new party if Umno decided not to expand to Sabah.

At a gathering of about 100 Umno supporters held on Saturday at the Islamic Foundation hall in Tanjung Aru, near here, a resolution was passed urging Umno to open branches in the State immediately.

During this function Datuk Harris announced that Sabah Muslims had no choice but to form a new party if Umno was reluctant to establish itself in Sabah.

Former Umno deputy president Datuk Dzulkifli Abdul Hamid who also attended the gathering reportedly stated that the formation of a new party was the only way to unite Sabah Muslims.

Among those who also attended the gathering were Datuk Haji Yahya Lampong and Umno supreme council member Haji Abdul Karim Ghan. He is also the State Assemblyman for Bongawan.

Mr Bumburing said he had received reports that the new party to be formed by the former Chief Minister would be either religious or racial-based.

"If this is true, Datuk Harris is trying to take the people backwards in the political history of Sabah. It has been proven that racial par-

ties are not accepted by the people here."

The new party would suffer a similar fate as Berjaya under Datuk Harris which was voted out of power in the 1985 State election, the PBS Youth leader warned.

Meanwhile, Kota Belud MP Maimon Pansai described the proposed formation of the new party as a desperate attempt by people seeking personal glory at the expense of the people and the State.

Stressing that he was speaking in his personal capacity, Encik Maimon charged that the leaders behind the move had ulterior motives instead of truly aiming to unite the people of Sabah.

"They will fail in their bid to seek political status as the people know what kind of leaders they are."

He said if there was a need for Muslim unity, Umno should be given preference instead of a new political party being formed.

/9274

CS01 4200/735

## DARUL ARQAM ALLEGED TO BE ILLEGAL

Kuala Lumpur NEW STRAITS TIMES in English 24 Jun 87 p 10

[Article by R. V. Veera]

[Text]

KUALA LUMPUR, Tues. — A businessman claimed today that Darul Arqam, a dakwah group, is an illegal society because it has not been registered with the Registrar of Societies.

Haji Syamsuri Miso, 45, the owner of a marriage bureau for Muslims, lodged a report against Darul Arqam at the Jalan Bandar police station this morning.

He alleged that Darul Arqam, which is heavily committed to religious teachings, had been distributing pamphlets and religious bulletins.

The movement is also involved in the economic development of Muslims.

Haji Syamsuri said Darul Arqam had about 300,000 followers and had been expanding "to the nooks and corners of the country," but it had failed to take steps to register itself as a society.

He also alleged that it was unlawful for its executive committee members to run Darul Arqam.

Under Section 62 of the Societies Act 1966, anyone who runs an unlawful society is liable to be fined a maximum of \$10,000 or five years' jail.

"I was fined \$1,000 by the court for unlawfully running an association for widows and divorcees," Haji Syamsuri said.

In addition, the Registrar of

Societies (for Selangor and Federal Territory) disqualified him from holding any post in any society for five years.

Police said it would be forwarding the report to their counterparts in Pahang to take the necessary action. This was because Darul Arqam was now operating from its main centre in Bukit Tinggi.

Darul Arqam, also known as Al-Aqam, began as a dakwah (missionary) commune in 1983 and has international branches in United States, London, Australia, the Middle East, Hong Kong, Thailand, Indonesia and almost in all the States in Peninsular Malaysia.

Its followers travel throughout the country preaching Islam, but there have been allegations recently that it is preaching extremist and deviant teachings.

It has moved from its original "village" from Kampong Sungai Pechala in Jalan Damansara here to Kampong Bempadan, Bukit Tinggi, near Bentong, because its leaders want to be away from the comforts of city life and the strife of politics.

In 1985, the Johore Government threatened to ban Darul Arqam if the State Religious Department's investigations proved that it had been carrying out activities that

could mislead the Muslims.

Last year the Federal Government issued a warning to Darul Arqam that it would not hesitate to take action if its activities posed a threat to national security.

Earlier, Deputy Home Affairs Minister Datuk Megat Junid Megat Ayub had said investigations revealed that Darul Arqam was making the necessary preparations for the coming of the Al-Mahdi, which included the provision of military-style training to some of its members.

Following this, Darul Arqam leaders gave an undertaking that their activities would not jeopardise national security and public order nor would it create tension among Muslims.

A spokesman for Darul Arqam claimed that the movement's activities were in no way "inclined to that of a society" and therefore it need not register with the Registrar of Societies.

He also claimed that Darul Arqam had obtained permits from the Home Affairs Ministry for all its publications and that its business activities had also been registered with the Registrar of Business.

The Registrar of Societies could not be reached for comment.

CLARK, NATIONAL SPOKESMAN ADDRESS UNION PEACE SEMINAR

Auckland NEW ZEALAND TRIBUNE in English 12 Jun 87 p 3

[Text] Union delegates, peace activists and visitors from Japanese trade unions were among the 100-strong audience at an Auckland Trades Council Peace Office seminar held on June 8.

The gathering endorsed New Zealand's nuclear-free legislation and sought ways to widen the scope of the South Pacific Non-Nuclear Treaty (the Rarotonga Treaty).

Bill Andersen opened the seminar and introduced the first speaker—Peter Wills from Scientists Against Nuclear Arms. He said that the American administration did not represent the American people on the issue. The Rarotonga Treaty bans the transit of nuclear weapons through the South Pacific. He condemned the US refusal to sign it. He exhorted New Zealand to do all it could to widen the Treaty's terms to include the banning of all testing within the zone.

"The South Pacific Forum has established an identity

within the region. This is the vehicle we should use," he said.

"The nuclear-free legislation gives New Zealand tremendous credibility in the push for the banning of all nuclear weapons in the South Pacific," said Helen Clark, MP. She spoke of Labour's underlying arguments for the legislation.

On the election, she said:

"We want Labour returned so we can set the legislation in concrete. Already there is a Ministry of Disarmament in existence and Labour proposes to form a Community Division within the Foreign Affairs Department. As well, we would set up a Peace and Disarmament Trust Fund so that the nuclear-free policy can be implemented in all its facets."

National's road to world

peace was the subject of a speech by Doug Grahame.

He said that trying to ban nuclear weapons is like trying to ban AIDS: "New Zealand should ensure military stability in a dangerously destabilised South Pacific and ensure the country's survival against outside threats." His way to do this was to climb back into ANZUS and bring back American and British nuclear arms.

The Japanese trade union delegation told how unions and local bodies in Japan are working for a nuclear-free Japan. There is a large nuclear-free petition circulating around the country, with four million signatories so far.

Ally Dworniak from the Auckland Trades Council Peace Office closed the seminar. ■

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CSO: 4200/741



## **SOCIALIST UNITY PARTY ELECTION POSITION PUBLISHED**

### **Supports Labor Return**

Auckland NEW ZEALAND TRIBUNE in English 12 Jun 87 p 1

### **[Text] Workers campaigned and got**

- an end to National government vulgarity, bigotry and dirty tactics
- nuclear-free ports legislation
- a closed South African embassy
- more attention to Maori culture and language.

Thousands of us organised, demonstrated, lobbied, risked our lives, and voted for these issues.

### **But they didn't get**

- jobs
  - improved social services like better schools, hospitals and public transport
  - fairer taxes
  - a say in industry planning or the new corporations
- Workers sat back and left too much to the politicians.

### **Big business campaigned**

- it lobbied, pulled strings, harassed, threatened and propagandised through its media.
- It campaigned for policies which put people out of work and made their lives poorer, but which make more profits for their coffers
- it campaigned to make the rules about how we live.

And it won.

### **Workers must start campaigning**

This campaign must be organised around the necessity to make the political voice of working people much more powerful.

National seeks to deprive workers of any voice. Workers' influence on Labour must be greater.

**A vote for Labour has to be one part of the campaign for an improvement in the things workers need:**

- jobs
- controls over big business which has greatly increased its influence over our lives
- a new tax system which takes enough from big business to fund social services like health, education and transport
- an end to corporatisation and privatisation, which is making us pay more for less (see story about school bus service, page 4)
- more say in how things are run.

## YOU CAN GET ONLY WHAT YOU CAMPAIGN FOR

Criticizes U.S., Business

Auckland NEW ZEALAND TRIBUNE in English 12 Jun 87 p 2

[Editorial: "There Is an Alternative"]

[Text]

**THERE'S only one real alternative to job losses, poverty, regional backwardness and monopoly running amok, and that is to campaign for the policies the SUP is putting forward.**

Our decision not to stand as an alternative party is based on our own needs as a small party. We need to work in a way which will add to our experience and growth. That means putting all of our energies into a weekly *Tribune*, using it as the campaign centre in which to discuss the issues and distributing it widely.

The biggest obstacle to real labour policies is not the Labour Government, it is monopoly big business and finance capital. They have used their influence inside the state to pervert the original economic programme of the Labour Government. The free-market policies we suffer under are theirs, not Labour's. They help monopoly and hurt everyone else.

The worst hurt are Maori and women workers who make up a disproportionate part of the unemployed. They are an important part of the

campaign to return the Labour Government to its labour movement agenda.

SUP policies would control monopoly and make it pay for social needs.

This means controlling the exchange rate and the import and export of currency and putting controls on the prices of goods.

It means major taxation reform—at the moment workers pay 90% of all taxes and monopoly pays less than ten per cent. This will provide more money for health, education, public transport and other social services. It means no GST.

It means involving workers and others in planning for investment in industry—in saying where the jobs will go, in stopping the flow of factories away from the regions and into the cities.

It means involving workers in the protection from privatisation of our most important industries (like steel, which is now being sold off to private monopoly).

We will go on opposing the policies of the US arms monopolies which want to turn the Pacific into an American lake. We will continue to fight for independence in our region.

These policies stand for everything which monopoly is opposed to: our rights to work, to democracy, to peace and to a decent quality of life.

In fighting for these policies we will see monopoly's ugly and brutal face at close range—but we will win.

The alternative to that is unthinkable. ■

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CSO: 4200/741

SUP PARTY PAPER LAMPOONS NATIONAL PARTY

Auckland NEW ZEALAND TRIBUNE in English 19 Jun 87 p 1

[Article by Graeme Whimp: "On the Hustings"]

[Text]

● The big election story of the week was the Sunday Club's offer to buy the National Party for one million dollars. Could this be the answer to Jim McLay's complaint that the National Party has now to grapple "with the problem of the public perceiving the Party to be without policies."? The Sunday Club, after all, is in the happy position of being able to spell out its policies without fear of the consequences. The National Party, on the other hand, has the problem "that people won't vote for it if its policies are made clear."

● The most creative solution to this difficulty has been found in the areas of women's affairs and industry protection. In each of these the National Party has two policies: to close down the Ministry of Women's Affairs and to retain it; to reduce protectionism and to continue it.

● The Democrats, on the contrary, have policies; but do they have a party? Apart from returning to a position in the polls where the margin-of-error may mean they have no support, Neil Morrison and Garry Knapp are advertising themselves as Independents with no mention of the Democratic Party. A rose by any other name is sometimes not enough.

● First Russia, then Libya, now Antarctica. Explaining how the Pacific will become

a "sea of conflict", National Disarmament spokesman, Doug Kidd, said, "In the next ten years we may well see pressures increasing from the North West and pressures from the South." [Antarctica] Penguins with snow on their boots?

● Defence Spokesman, Doug Kidd, who seems to have taken a course in 'CIA-speak', on his recent trip to America, is clearer about the "source of the threat."

"My experience is that there is a strong warning in the US, both in the Republican Government and the military establishment, that there is a need to conduct their foreign policy in the Pacific on a somewhat more sophisticated and sensitive basis than it was perceived to have been conducted in former times."

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CSO: 4200/741

SUP LAUDS COUNCIL OF TRADE UNIONS DEVELOPMENT

Auckland NEW ZEALAND TRIBUNE in English 19 Jun 87 p 6

[Article by Joe Tonner: "CTU Will Bring Union Resources to Regions"]

[Text] Many unionised workers live and work in small towns and provincial cities. What resources and efforts do unions put into covering these workers?

Most unions have offices, staff, organisers, researchers and legal support in the main centres—like Auckland and Wellington. Rural towns like Kaitia, Taihape, Westport and Invercargill have little or no consistent union presence. Union resources—offices, copying facilities, access to information, or just someone to contact—is mostly non-existent.

In 1951, and at other times of crisis for unions, employers have been able to isolate workers in dispute in urban areas from workers in the rural and provincial areas.

Sometimes employers are able to obtain the support of rural workers against the interests of workers in general.

Workers in rural areas face many problems in obtaining union support and assistance. Their isolation from union resources (toll calls, physical distance) and their relationship with the employers, results in a fear of action. They can easily be branded as community troublemakers. So rural

workers get sacked, work in inferior conditions and find it difficult to defend their rights under awards and agreements.

The development of the CTU provides an opportunity to develop better joint union resources in rural and provincial areas. At present any number of unions can be using resources independently of each other—sending organisers or education officers into rural areas for small numbers of their own members. Collective union responsibility for all workers in rural areas would result in better use of resources, a better service for all workers and a higher union presence in rural towns. The development of joint union offices in small towns paid for on a joint basis would ensure immediate union contact for all workers. Discussions on proposals have begun in the Northland area.

This is important, not only to provide union support for rural workers, but also to develop more effective political

understanding in the regions among all community groups on many issues.

At present unemployment is growing in rural areas, communities are being broken up; resources, jobs and investment are being withdrawn, government services are being cut back and costs are escalating to a greater degree and with more severe consequences in urban areas.

Action needs to be taken to ensure that unions and urban workers defend the interests of workers throughout the country. Unless this is done, the rural workers will continue to see unions as irrelevant.

The recent British general election is a good example of what can result. The Thatcher government was re-elected by a self-interested, comfortable section of society in the southern half of England while poverty, unemployment, illiteracy, disease and social dislocation worsens in the north, Scotland and Wales. ■



## PAPUA NEW GUINEA

### BRIEFS

**NEW PATROL BOAT BASES**--Papua New Guinea's defense force will open two additional bases for its patrol boats in the North Solomons and (Num Bay) Province. At present the patrol boats operate from the only naval base at (Landom) on (Mannis) Island. The defense commander, General Huai, says the two new bases will be built at (Kietta) and (Alota) and will cater for two boats and support facilities. He says the new bases will help the defense force to effectively police Papua New Guinea's 200-mile economic zone on a 24-hour basis. General Huai says work on the two bases will start as soon as money has been approved by the government. [Text] [Melbourne Overseas Service in English 0500 GMT 14 Jul 87 BK] /8309

CSO: 4200/722

SISON ON POLITICAL DEVELOPMENTS, U.S. ROLE

Brussels KNACK in Dutch 20 May 87 p 145

[Interview with Jose Maria Sison by S. V. E.: "The President Knows Perfectly Well What Is Going On!"; in Brussels; date and occasion not given; first paragraph is KNACK introduction]

[Text] Interview with Jose Maria Sison on the new developments in the Philippines and the stabilization favoring American interests.

Last week in Manila it looked as though President Cory Aquino would win her election victory, even though the majority of the votes cast for the House of Representatives (200 elected seats in a chamber of 250) still had to be counted. Aquino had appealed to the country to elect only her chosen candidates to the Senate (only 24 seats to be filled), saying that no opposition was needed there, and the electorate appeared to have granted her wish, with the exception of two or three seats. The parliamentary elections were carried out in a strikingly calm fashion, for the first time in memory in the Philippines, which may indicate that both the army and Marcos's adherents and the "great families" had an interest in seeing at least this part of the "normalization" of political life go smoothly.

The question remains of what is to happen now. Aquino is increasingly being accused of aiding the old political establishment of the "great families" to regain power (like before Marcos) and of doing so with the help, if not the encouragement, of the United States. The United States, it is said, wishes to keep its bases in the Philippines and at all costs it wants to avoid having the "Communists"--i.e. the NPA guerrillas and the Leftist parties--accepted as a power-sharing partner in Manila. That is why the cease-fire negotiations between the government and the guerrillas were torpedoed. Now it has also leaked out that President Reagan has made millions of dollars available to the CIA for operations--including "covert operations"--in the Philippines, especially against the Leftist guerrillas.

Jose Maria Sison, who will never admit that he helped set up the Philippine Communist Party and was its chairman, describes himself not as a spokesman for the guerrillas but as "researcher" at the University of the Philippines but he does want to express his views about the plans being drawn up for his country. He talked with us a while ago in Brussels about the Americans' plans and about the erosion of the revolutionary and democratic movement that Cory rode to power.

Sison: The United States is manipulating the various Rightist groups to serve the interests of the United States. Look, from the start of the Aquino presidency to the compromise of 10 November we argued that the least reactionary groups should be encouraged, with a view to building up a democracy, even if it was only a formal one. With civil and political rights guaranteed, and so on... Against the more reactionary groups behind Marcos and Enrile and such. But things are beginning to look different in the Philippines lately and observers outside the Philippines still have not completely grasped the difference. They are still often misled by the glaring contrast between Marcos's late fascist regime and the new Aquino regime that came to power through "People's Power." At present we believe the United States has reached an agreement with the Aquino group and it is rapidly consolidating its position. It uses the illusion of democracy in combination with military force.

### Terrorism

[Question] It seems reasonable that the Americans would attempt to protect their interests but do you have proof of that intervention and plotting?

Sison: Of course. Quite apart from Philip Habib's visits to Mrs. Aquino and all the activity by CIA teams and CIA chiefs here, they have already undertaken a lot of operations. Against the progressive Partido nog Bayan, which they wanted to keep out of the elections. Then there were a number of terrorist operations, by the military. No less a figure than the chairman of the Partido nog Bayan, Rolando Olalia, was kidnapped, tortured, mutilated, and murdered--that was 12 November. Other leaders were shot at or received death threats. Olalia, you know, was so carefully guarded that nobody but the military could have gotten to him.

This is all connected with a new American strategy for the Philippines. The strategy of the iron fist in the velvet glove, I would call it. You have an attractive president with a lot of publicity and legitimized by electoral maneuvering (kept within certain bounds), while on the other side the military is raising hell.

On 10 November Aquino had already agreed, through the military, through Enrile, to meet the United States' demands. Enrile, you know, all those rumors about threatened coups, that was just meant to put pressure on Mrs Aquino. And it worked. She agreed to reduce the number of nationalist and liberal elements in her government. Those are the better elements in the cabinet. Then she agreed to extend the lease on the military bases after 1991. Then she bowed to the United States' economic priorities and finally there is the Pentagon's antiguerrilla plan, which calls for cranking up, as they put it, the "low intensity conflict" game here. And the President knows very well what all that means.

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CSO: 8014/4312

CONCEPCION WELCOMES SOUTH KOREAN TRADE PROPOSALS

HK031458 Manila THE MANILA CHRONICLE in English 3 Jul 87 p 13

[Text] Trade and Industry Secretary Jose S. Concepcion, Jr., yesterday welcomed the three-point proposal of South Korea to double trade between the two countries. The proposal was made by Korean Trade and Industry Minister Na Ling-pae during the opening of the Korea-Philippine Trade Ministers Meeting.

Concepcion also welcomed Korea's liberalization of foreign investments, soft loans under the concept of the South-south dialogue, and technology transfer.

He said the South Korean trade minister offered to promote Philippine products among Korean consumers and endusers.

The Korea Trade Promotion Corporation (KOTRA) will be asked to sponsor a large scale Philippine product show next year in Seoul. Also, Korean trading companies will assist in marketing and promoting Philippine products both in Korea and in third markets through their extensive worldwide networks. These trading companies account for about 40 percent of Korea's total exports.

Concepcion said the Korean trade minister also pledged that Korea will continue to remove tariff and non-tariff barriers to Philippine products. Korea had lowered the tariff rates on ferro-silicon and copper waste and scrap by 5 percent starting July 1 this year.

Equally held significant is the liberalization of foreign investments. The Korean Government is providing tax and financial incentives, simplifying administrative procedures, and widening the range of industries in which Korean firms are allowed to invest abroad.

Concepcion was also told by the Korean trade minister that Korea is committed to help developing countries under the South-south concept.

Na said that Korea had recently established (July 1) its Economic Development Cooperation Fund aimed at providing soft loans to other developing countries. He added that the South-south concept extends to multilateral trade negotiations.

Concepcion also welcomed the technology transfer extended by Korea in the recent collaboration between Samsung Co. of Korea and Solid Group of the Philippines for making color TV sets.

# TAIWAN CONSIDERS INVESTMENT 'IF LABOR SITUATION IMPROVES'

Manila MANILA BULLETIN in English 1 Jul 87 pp 1, 17

[Article by Brenda P. Tuazon]

[Text]

Taiwan is ready to shift its manufacturing facilities to a country which is not subject to quotas and the Philippines is the most logical choice "if the labor situation here improves."

This view was expressed yesterday by Jeffrey L. S. Koo, president of the Confederation of Asia-Pacific Chambers of Commerce and Industry and head of a Taiwan conglomerate with five financial institutions, two insurance companies, three cement factories, and seven petrochemical plants.

Koo is also in construction, hotel, trading, steel, paper and other big industries.

He heads a 65-man delegation to the two-day Philippine-Chinese Business Council which ended yesterday at the Manila Peninsula Hotel. It was hosted by Aurelio Periquet Jr., president of the Philippine Chamber of Commerce and Industry.

Koo succeeded Periquet who was the first president of the confederation.

In an exclusive interview with the Bulletin,

Koo said that for several years Taiwan's major investments were in the United States because of America's Taiwan Relations Act giving equal rights and legal protection as well as diplomatic privileges to Taiwanese investors.

This special act, according to Koo, made the US the safest place for investments for a long time.

But "by imposing quotas over our garments, footwear, machine tools, and 300 other items, America is pressing us to a position that Taiwanese manufacturers have to look for a country which is not subject to quotas," Koo said.

"And the Philippines is the most logical place, if only the labor environment would improve," he said.

He cited the frequent wildcat strikes in the past which had terrified foreign investors to do business in the Philippines.

However, Koo said the announcement of President Aquino upon the appointment of Labor Secretary Franklin Drilon "has pleased the foreign business community."

"I have not met Secretary Drilon and I don't even know him, but my impressions from the business community are that he is the best man for the position to handle your labor situation," he said.



Koo saw the President yesterday and asked for a similar law that would give equal protection to Taiwanese investors.

"If the US gave it to us, why not the Philippines when our two countries are the nearest neighboring nations in Asia?", he asked.

He was optimistic that President Aquino would encourage foreign investors, adding that "she has been doing a really good job in improving the country's economy."

He gave her government credit for stabilizing the peso, which he said, is "taking the upturn from the negative to a minor but positive growth."

He said that with the stabilizing of the Philippine currency, an improved labor situation, and a corruption-free government, the Philippines would be a major force not only in Asia but also in the world in the next three years.

Koo said that when he was

here in 1968, he was so impressed with the Philippines' Cadillac limousines and table napkins because he said they did not have these things in Taiwan then.

"I thought then I was in heaven," he added.

However, Koo said, while the Philippines took its own sweet time enjoying its high foreign exchange rate at that time, "we in Taiwan worked harder, ran faster, and made faster decisions to make us what we are today."

At the conclusion yesterday of the joint Philippine-Chinese council meeting Taiwanese businessmen pinpointed eight areas which would interest them in Philippine industry. These prospects for cooperation are in machine tools and agricultural machines, electrical products and electronics, hospital requirements, rubber products, religious articles, marble and marble products, textiles and "others, including furniture, plastic, crayola and ceramics."

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CSO: 4200/732

JAPANESE SAID 'STILL CAUTIOUS ABOUT INVESTING'

HK141341 Manila THE PHILIPPINE STAR in English 14 Jul 87 p 6

[By Bobby Capco]

[Text] Philippine mango exports to Japan may be barred by October this year, unless the Philippines change its fumigation methods.

On the other hand, Sumitomo Corp.--one of the largest firms in Japan--is planning to expand a local plantation it partly owns, and to go into shrimp and prawn ventures and into a possible joint undertaking with Matsuda Motor Corp., a leading Japanese automotive firm, for truck-making in the Philippines.

These two differing aspects of the Philippine relations with Japan, may reflect the contrasting views on the country among Japanese businessmen. Some say that most Japanese firms are still cautious about investing in the Philippines, while others feel that the present administration already made headways in improving the domestic investment climate.

Japanese businessmen still consider the Philippines as an unstable place for investment and it may take two to three years to erase this impression, according to Kinya Masudo of KEIDANREN, Japan's most powerful business group.

Masudo, deputy director of the economic cooperation department of the KEIDANREN, said even KEIDANREN's think-tank groups consider the Philippines as "dangerous" for investments.

A recent KEIDANREN mission to the Philippines said that it is important to intensify the bilateral relations between Japan and the Philippines. Before the mission left for Japan, it declared that a stronger economic cooperation between the two countries is forthcoming, with the "policy dialogs" it had with key Philippine government officials.

The KEIDANREN explained that the aim of Japan's private business community to carry out direct policy dialog with developing countries made it decide "to dispatch the very first policy dialog mission to the Philippines, one of the countries at the top of the priority list of Japan to be extended economic cooperation."

KEIDANREN was apparently satisfied with effort being pursued by the Philippines to improve the invest climate here, primarily the drafting of the Omnibus Investments Code. It promised to provide "active support" to a government-sponsored investment promotion mission which will soon visit Japan.

Masudo said these think-tank groups rank the Philippines last in the ASEAN (Association of Southeast Asian Nations) in terms of safety, political stability, infrastructure and profitability. "Japanese corporations prefer to go to Thailand where the government leadership is more stable and policies do not change," he said.

While the recent national elections showed overwhelming support for the Aquino Government, issues such as the land reform program can still cause instability, Masudo said.

Masudo also said that reports of inefficient electricity and water service and inadequate telecommunications facilities also deter Japanese companies from investing in the Philippines. "Reports about the Philippines are exaggerated many times. Nevertheless, they stick in the minds of Japanese business decision-makers," he said.

Masudo said it may take two to three years to correct this impression, assuming that the current political and economic situation in the Philippines would remain.

Masahiro Shimada, manager of the Asian Affairs Department of the Japan External Trade Organization (JETRO), said that bureaucratic red tape and absence of clear investment rules block Japanese investors from investing in the Philippines.

"We noted that the Investments Code was approved in principle by the Cabinet, but still, it remains to be signed into law," Shimada said.

Shimada said that special economic areas, such as export processing zones, lack the proper infrastructure.

For instance, the Bataan Export Processing Zone cannot continuously supply electricity to factories despite promises made by the government, Shimada said.

Not everybody in Japan, however, is pessimistic over the future investment climate in the Philippines.

T. Harada, manager of the Asia and Oceania Department of Sumitomo Corp., said his company noted the turnaround in the Philippine economy in the past six months.

Harada said Sumitomo attributes the turnaround to the growing stability of the Philippine Government and the growing domestic market.

"Much can still be done, however," Harada said, adding that "failure of the government and the private sector to cooperate may lead to disasters."

For instance, the Philippines is about to lose the entire Japanese market for mangoes because of the failure of local farmers to change their fumigation methods.

Starting this October, Japanese customs will bar the entry of mangoes which passed through the ethyl dibromide (EDB) fumigation method.

Nevertheless, Sumitomo is planning to expand the operation of Davao Fruit Corp., a 40 percent Sumitomo-owned local firm.

Also, Sumitomo is preparing feasibility studies for a shrimp and prawn venture in the Philippines and a possible joint venture with Matsuda Motor Corp. for truck-making under the Philippine Government's truck development program.

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CSO: 4200/719

GOVERNMENT MONOPOLY OF POWER SECTOR ABOLISHED

HK131119 Manila MANILA BULLETIN in English 13 Jul 87 p 8

[By E.T. Suarez]

[Text] President Aquino signed Friday an executive order empowering the private sector to generate and sell power to end-users.

Signed by the President was Executive Order 215 [EO 215] which amended Presidential Decree No. 40 vesting in the National Power Corp. (Napocor) [NPC] the exclusive right to generate electricity. The Napocor is a government-owned company.

"The generation of electricity, unlike its transmission or distribution, is not a natural monopoly and can be undertaken by more than one entity," the President said.

The President stressed, however, that the strategic and rational development of the country's power grids is the responsibility of Napocor.

Accordingly, the President said, the establishment of transmission line grids and the construction of associated generating facilities in Luzon, Visayas and Mindanao, including the major islands of the country, to meet the power demand, is the responsibility of the Napocor.

She said EO 215 was issued in line with the national policy of the administration to encourage the private sector to participate in economic development.

"It is also a part of the government's decision to disengage in areas which can be adequately handled by the private sector," the President said.

The President added that the generation of electricity by the private sector can provide a means of increasing power capacity to meet the projected increase in power demand in the future, without in any way requiring financial assistance or guarantee from the government.

"On the other hand," the president said, "there is an imperative need to rationalize the development of energy resources and the operation of electric generating facilities in the power grid."



This can be adequately handled by Napocor she added.

The President expressed the hope that private corporations, cooperatives or similar associations will take advantage of the opportunity granted under EO 215 to construct and operate electric generating plants.

Under the executive order, the private sector can set up generation units for heating or cooling purposes through sequential use of energy.

Electric generating plants intending to sell their production to the NPC grids can also be set up.

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CSO: 4200/719

LOPEZ FAMILY TO REGAIN CONTROL OF NETWORK

HK011309 Manila PHILIPPINE DAILY INQUIRER in English 1 Jul 87 pp 1, 6

[Text] Channels 2 and 4 will be turned over to its former owners, the Lopez brothers, on July 15, on condition that they sign a "quit claim" on the other assets taken by Roberto Benedicto and sequestered by the PCGG [Presidential Commission on Good Government] and that one of the two channels be sold to other parties within two years.

These stipulations are embodied in a joint petition signed yesterday by government representatives and Eugenio Lopez Jr. asking the arbitration committee to settle the Lopez claims, according to government sources.

The same sources said that by its very nature, the arbitration committee must accept any settlement between the parties involved and will issue its own terms only when the two parties fail to agree.

In the meantime, the employees of Channel 4 and the Bureau of Broadcasts last night formed a labor union, "PTV [People's Television]-4 Employees Association" to fight the transfer of Channel 4 to private hands.

The union, led by Concom [Constitutional Commission] delegate Chito Gascon and Channel 4 officer-in-charge Conrado Limcaoco, will march to Malacanang today to present their demands personally to President Aquino.

The union said the return of Channel 4 to the Lopezes is a violation of the Constitutional provision against media monopoly. It asked the president to maintain a status quo from six months to one year during which the fate of public broadcasting should be decided by such bodies as the new Congress and the Supreme Court.

They said that since the Lopezes "own or effectively control" Meralco, PCIBANK [Philippine Commercial and Industrial Bank], the MANILA CHRONICLE, Channel 2, and a large part of the sugar industry, they have no moral, legal or constitutional right to take over Channel 4.

Gascon added that the Lopezes may own the facilities, but they should not have the frequency of Channel 4 which is public property and national patrimony.

A petition was submitted to the Supreme Court by Chito Gascon, Mi-an Sision and others asking the court to restrain Malacanang from transferring Channel 4 to the Lopezes on the grounds that the matter should be given to the courts to adjudicate.

When martial law was declared, the Lopezes' ABS-CBN [Alto Broadcasting System -- Chronicle Broadcasting Network] had seven television and 21 radio stations all over the country, including both Channel 2 and 4. It had the best facilities in Southern Asia.

Today the Lopezes operate only one television and two radio stations, which they leased for five years at P1.6 million a month in cash until recently when the rent was offset against the Lopezes' claims against the government.

For some time the Lopezes were asking the government to settle their claims with cash or other assets, but the Executive Secretary Joker Arroyo kept saying the government has no money.

Then the government through presidential counsel Teddy Boy Locsin and Solicitor General Frank Chavez, offered to return the two stations and the whole network to the Lopezes on condition they will sign a "quit claim" and consider the network as full payment of all Lopez claims. Lopez at the time refused to accept the offer.

However last Saturday, in a meeting with Deputy Press Secretary Danny Gozo, the Lopezes accepted the original offer plus a commitment to sell one of the two stations within two years.

Yesterday the joint petition was signed by Press Secretary Teodoro Benigno and Eugenio Lopez Jr. and was sent to the Arbitration Committee.

The committee, formed by President Aquino, is composed of former Supreme Court Justice Vicente Abad Santos as chairman, Assistant Executive Secretary Catalino Macaraig as the government representative, and Pastor del Rosario as the Lopez representative. It was formed after initial talks were made with a negotiating panel made up of Arroyo, Locsin and former presidential spokesman Rene Saguisag.

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CSO: 4200/719

PROPERTIED CLASS COUNTERREVOLUTION HASTENS EDSA BREAKUP

HK141353 Manila THE MANILA CHRONICLE in English 13 Jul 87 pp 1, 6

["Analysis" column by Amando Doronila: "Cory Faces Counter-revolt From the Propertied Class"]

[Text] The reformist Government of President Aquino today faces a counter-revolution from the propertied class. The landlords are up in arms against, first, any initiative from the President to decree a comprehensive land reform program before Congress begins its session on July 27: and, secondary, any program that would reduce landholding to seven hectares and that would bring under the program coconut and sugar lands, as well as fishponds.

The powerful lobby mounted by landed interests against land reform is a counter-revolution that followed the political revolution led by Mrs. Aquino, culminating in the EDSA [Epifanio de los Santos Avenue] uprising. To be sure, every revolution is followed by a backlash in which social groups allied in the revolution break up after their objective has been achieved.

Because the EDSA was a political revolution whose aim was to overthrow the Marcos regime, the alliance behind it broke up easily following the flight of President Marcos and his entourage. EDSA had no ideological motivation to change the social and power structure; it merely sought to change rulers without restructuring society.

It was therefore not unexpected--except to the politically naive--that in just a few months after the overthrow of the Marcos regime, the alliance that fused at EDSA began to split. First the military component associated with the dismissed defense minister, Juan Ponce Enrile, broke ranks with the civilian leadership of President Aquino, partly because of Mr. Enrile's overriding ambition to take over national power, and partly because of policy differences over the counterinsurgency campaign.

The insurgency problem was the issue that acted as the catalyst in the rupture between Mrs. Aquino and Mr. Enrile. But in a fundamental sense, their cleavage marked the separation from the EDSA alliance--whose main body is composed of moderates--of its ultra-Right segment identified with Mr. Enrile.

The second great issue that is sundering the EDSA coalition--probably right across the middle--is land reform. Since the EDSA revolution, no issue has

polarized the nation as bitterly as agrarian reform. On the assumption that the outrage expressed at EDSA was shared by the rest of the nation, the people power revolution was supported by the propertied class.

The landowners had no quarrel with Mrs. Aquino in her campaign to push out Mr. Marcos. Although, during the campaign for the February 7, 1986, snap elections, Mrs. Aquino pledged to undertake a land reform program as a major policy platform, the landlords were not worried about this because their main concern was to get rid of Mr. Marcos.

The landlords--especially the sugar planters of Negros Occidental--had suffered at the hands of the Marcos regime. The imposition of the sugar trading monopoly controlled by the Marcos crony, Roberto Benedicto, broke the back of their political power. The crushing of their political power and influence was further facilitated by the fact that Congress, the landlords' arena for the projection of their power, was dissolved and by the plunge of the sugar prices in the world market beginning in the 1980s.

Thus, Bacolod City, the capital of the heart of sugarlandia, virtually exploded in joy when news came that the Marcos family had fled, and among those who danced in the streets were the planters.

Having regained their political liberties, as well as their political power, the propertied class is now taking on the reformist Government that flowed from the EDSA revolution whose aims it shared.

If the revolution nurtured high expectations for reforms, the expectations were different among the components of the EDSA alliance. As it developed, while some significant sectors of the coalition--especially the Catholic Church--interpreted reforms as a package including land reform, that is not the way the propertied class sees it.

Because of this mixed perceptions, we are today witness to the further breakup of the alliance in which its original components are now going their own separate ways, after the element that bonded them--their outrage against Mr. Marcos' abuses has dissipated.

At the conference of businessmen and bishops last week, the Church made clear its support of the comprehensive land reform program and of the exercise by the President of her decree power to legislate the program. The cleavage between the Church and the landed gentry over agrarian reform has reduced the EDSA coalition of interests into a mere shell.

The problem for social groups supporting reform movements is that reformism does not stop at just deposing hated rulers. It creates great expectations but also tensions among groups originally supporting reforms in general.

But one of the biggest drawbacks of the EDSA revolution, which merely preserved the status quo of the system while changing rulers, is that it did not bring about a social upheaval. Thus, traditional interests in control of economic power--such as the landlords--continue to hold power and are able to mount a counter-revolution against reformism. The EDSA revolution is now grappling with the fall-out brought about by it being an extremely limited and flawed revolution.



COLUMNIST QUESTIONS LOCSIN'S, ARROYO'S INFLUENCE ON AQUINO

HK031516 Manila THE MANILA CHRONICLE in English 3 Jul 87 p 4

["A manner of speaking" column by Arlene Babst-Vokey: "What Does Cory See in Joker?"]

[Text] If anyone asked Executive Secretary Joker Arroyo what he considered the most important thing on earth to him today, he would quite likely answer: "Cory Aquino's trust."

A mother might say, her child; his or her work in progress; Joma Sison, the Communist Party; Cardinal Sin, God; Kris Aquino, "The President's Trust."

And well he should. For by that trust--since he is not an elected official--Mr Arroyo holds the position of executive secretary, and by it he sees the President more often and more easily than anyone else outside of her immediate family.

Because he is so close to the President, much of her power and prestige (lately diminished and endangered by louder, more frequent charges of graft and corruption against people close to her) rub off on Mr Arroyo. How responsibly--to the nation--has he handled his reflect power?

If you ask people like Johnny Ponce Enrile, Jimmy Ongping, Alran Bengzon, Winnie Monsod or Louie Beltran, as well as some of his associates in the Guest House, many members of the press, and alarmed fellow lawyers and businessmen, Mr Arroyo has not been immune to the seductions of power.

He has been called an incompetent manager of time and papers; mediocre; and even a manipulator by another Cabinet member. He irritates TV audiences and members of the press with his inability to express himself clearly and quickly, without innumerable umms and ahs in between painfully grabbed at words. His fondness for the expensive car assigned to him is beginning to illustrate certain personal vanities in regard to the material rewards of power, although to be fair to the man, no one yet is accusing him of pocketing such rewards in any illegal form.

But all these complaints against Mr Arroyo are actually components of the main cause for anger against him: he, together with Teddy Boy Locsin, has

arrogated to himself the role of filter and sieve for Cory Aquino, through which most information from the rest of the country passes for evaluation and interpretation.

Sources within the Cabinet and the Guest House confirm that the President greatly relies on her Executive Secretary to tell her what's happening, even if she would be better informed if she bothered to read reports and newspapers herself, without benefit of summaries or selected clippings and files culled by Mr. Arroyo.

Then President Aquino will know that others who know Joker and Teddy Boy just as well as she does, perhaps even better, do not share her implicit trust in these two gentlemen. Others are more aware than Cory Aquino is of the vanity to which both men are vulnerable, their short fuses when it comes to listening to criticism directed at themselves, and worst of all, a growing mental dishonesty that makes legal niceties more important to them than the spirit of the law.

In the matter of agrarian reform, Mr Arroyo's adamant stand on questions of constitutionality had many observers recalling how, during Marcos' time, Arroyo upheld the spirit of the law and moral imperatives rather than stickly legalities which are arguable from various perspectives. Somehow, something rang false in the way Mr Arroyo was heatedly defending his stand on the constitutionality of the President's signing of the agrarian reform decree before Congress convenes. Indeed Mr Arroyo is no longer the trusted friend, the convincing colleague that he used to be to many former street protesters.

What is the worst thing that Mr. Arroyo has done so far? He has kept Cory Aquino from growing. Because of his own manipulation to make himself indispensable and to expand his power, he limits the President's access to information she vitally needs in order to make the big decisions demanded of her office.

Many of us have already asked: "What does the President see in Joker Arroyo?"

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CSO: 4200/719

OPPOSITION SENATOR TO SIT IN STEERING BODY

HK021151 Manila PHILIPPINE DAILY INQUIRER in English 2 Jul 87 pp 1, 6

[By Marlen Ronquillo]

[Text] In a dramatic move toward reconciliation, Lakas ng Bayan [Laban--people's power] senators have agreed to include an opposition solon in the steering committee, a special body which will help Senate President Jovito Salonga run the daily affairs of the Senate.

Laban sources said yesterday the most likely choice would be Juan Ponce Enrile whose victory in the Senate race is now virtually assured.

The sources also said the senators from the ruling coalition have "more or less firmed up" the chairmanship of 14 major Senate committees.

Salonga is expected to announce the members of the steering committee today as well as the chairmen of the Senate's 34 regular committees.

The inclusion of the opposition senator in the steering committee was approved by the senators before the balloting on the Senate presidency last Tuesday.

The sources said the senators agreed that reconciliation could be fostered further if the opposition is represented in that important committee which will be made up of nine members.

Salonga will chair it, with Senate President Pro-tempore Teofisto Guingona and Majority Floor Leader Orlando Mercado as regular members. The opposition senator and five other Laban solons will complete the lineup.

The sources also said a consensus has been reached on the heads of the Senate's 14 major committees.

They are: Guingona, blue ribbon; Alberto Romulo, appropriations; Vicente Paterno, economic affairs; Leticia Ramos-Shahani, foreign relations; Raul Manglapus, defense; Neptali Gonzales, justice; Agapito Aquino, agriculture; Edgardo Angara, education; Ernesto Herrera, labor; Neherson Alvarez, agrarian reform; Wigberto Tanada, social justice and human rights; Rene Saguisag, revision of laws; John Osmena, public services (utilities, transportation and communications); Jose Lina Jr., housing and urban development; and Victor Ziga, public works.

Lina may also head the committee on youth while Shahani will hold in a concurrent capacity the leadership of the committee on women welfare.

Senators Ernesto Maceda, Mamintal Tamano and Aquilino Pimentel Jr. have yet to indicate which committees they want to head or join.

Salonga earlier promised that each of the 22 Laban solons will have a committee to head.

The brunt of the work in the Senate's first few months will be done by the committees on defense, foreign relations, economic affairs and agrarian reform, the sources said.

The committee on economic affairs will draft bills that would push for more exports, boost domestic production and create more jobs.

The agrarian reform committee will draft measures to complement the proposed executive order on land reform.

The committee on defense will push for measures aimed at solving the 18-year-old communist insurgency problem while the foreign relations committee will prepare the groundwork for the renegotiation of the RP-U.S. Military Bases Agreement scheduled next year.

The blue ribbon committee is expected shortly to start looking into allegations of high-level corruption in the Aquino government.

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CSO: 4200/719

SENATE PRESIDENT NAMES CHAIRMEN TO 19 COMMITTEES

HK090436 Quezon City Radyo Bayan in Tagalog 0330 GMT 9 Jul 87

[Text] Senate President Jovito Salonga has appointed the chairmen of 19 standing committees during a caucus of the ruling coalition. The committee heads are as follows:

Leticia Shahani, foreign relations;  
Vicente Paterno, economic affairs;  
Raul Manglapus, national defense and secretary;  
Wigberto Tanada, justice and human rights;  
Neptali Gonzales, government corporations and public enterprises, and the committee on electoral reforms;  
Heherson Alvarez, agrarian reforms;  
Edgardo Angara, education;  
Speaker Pro Tempore Teofisto Guingona, blue ribbon committee;  
Mamintal Tamano, ways and means;  
Victor Zigz, public works;  
Sotero Laurel, commerce and industry;  
Ernesto Herrera, labor;  
Joey Lina, urban development and housing settlements;  
John Osmena, public services;  
Agapito Aquino, [words indistinct];  
Aquilino Pimentel, local government and special committee on insurgency;  
Rene Saguisag, ethics.

Under the new Constitution, the congressional committees are empowered to conduct investigations as a function of legislation.

Majority floor leader Orly Mercado said Salonga will elect the heads of other remaining committees in the next caucus on Wednesday. Salonga postponed the appointment of the chairman of the Finance Committee after Senator Alberto Romulo opposed the naming of Senator Ernesto Maceda to the post.

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C50: 4200/719



EDITORIAL VIEWS NEW 'PEACE CZAR'

HK091303 Manila THE MANILA CHRONICLE in English 8 Jul 87 p 4

[Editorial: "Another Chance for Peace Talks"]

[Text] The appointment of the Secretary of Health, Alfredo Bengzon, as peace 'czar' to reinvigorate negotiations with various rebel groups calls attention to the standstill which has befallen the Aquino Government's national reconciliation campaign.

The appointment does not signify that a new peace initiative has been launched; Dr. Bengzon has not been issued new terms of reference. Rather, a new peace chairman was needed because the chief government negotiator, Ambassador Emmanuel Pelaez, is due back at his embassy in Washington, where matters pertaining to U.S.-Philippine relations have piled up.

Even if Dr. Bengzon's appointment appears to be a knee-jerk reaction to fill a soon-to-be-vacated slot, the peace effort needs a change in pace, and even more important, a fresh outlook. The Muslim negotiations have been deadlocked for several months. The deadlock has pushed Mindanao to the edge of war, and it has not helped the talks that our chief negotiator, Ambassador Pelaez, is perceived by his Moro National Liberation Front counterparts as being too inflexible to allow compromise to break the impasse. Perhaps, part of the reason for this perception is that the diplomatic skills of Mr. Pelaez are too formidable to cope with.

On another front, the negotiations for the autonomy of the Cordillera people have been set back and the talks with the National Democratic Front (NDF) collapsed last February following a 60-day ceasefire. The NDF is not likely to return to the talks. The fact that the government has been instructed to explore the possibility of regional peace talks with the local NDF leadership does not change the picture that on the NDF front the peace effort is moribund.

It is Dr. Bengzon's task to revive government initiative in relation to these groups. His task is made more difficult by the growing momentum of government confrontational activities.

The Vigilante movement, for example, is proliferating across the country with the encouragement of the military and some officials in the civil government. Vigilante groups are intended to combat the insurgents, and confrontation--rather than negotiation--is emphasized as the correct approach to fight insurgency.

In Metro Manila, the mayors on June 17 passed a resolution for the National Government urging that barangay officials--the core of vigilante organizations--be issued firearms for self-defense against rising urban terror.

So while the government proclaims intentions of reconciliation, some of its segments are seeking to arm barangay officials and vigilante groups which, it is possible, could one day turn their arms on the government itself.

The first thing that Dr. Bengzon, in fairness to himself, can do to increase his chances of succeeding is to seek a definition from government on its real position on arming vigilantes, not to mention clear guidelines on the formation of such potentially dangerous groups.

Peace and reconciliation cannot be achieved by waving the flag of peace with one hand and brandishing a gun with the other.

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CSO: 4200/719

EDITORIAL BACKS RAMOS CALL ON ARMING OFFICIALS

HK021335 Manila MANILA BULLETIN in English 2 Jul 87 p 4

[Editorial: "'Legal Weapon'"]

[Text] General Fidel V. Ramos, Armed Forces chief of staff, has urged the government to provide law-enforcement agencies with adequate "legal weapons" to enable them to curb terrorism.

The administration and Congress should consider the appeal of General Ramos, having regard for the escalation of urban terrorism and the evident weakness of the "legal weapons" available to the army and the police. It is difficult to refute the argument put forward by the general that the laws against subversion, terrorism, and rebellion can stand reinforcement in the context of the government's uphill struggle against communist insurgency and its concomitants.

Crimes against the established order and duly constituted authority are not light offenses. Logically, the penalties should not be light. Nor should the process of dealing with them be so complicated and cumbersome as to handicap competent authorities.

Meeting a crime with commensurate punishment does not run counter to the letter or spirit of the Constitution. Nor does it do violence to human rights, as contended by "cause-oriented" groups and their publicists.

It is inconceivable that General Ramos, who has a thoroughly democratic orientation, would ever think of clothing the military and the police with arbitrary authority. His appeal, if heeded, would not undermine "due process of law."

The problem General Ramos seeks to deal with calls for immediate executive and legislative action. Prompt consideration of the measures he recommends should be undertaken by the President and Congress.

The state must be in a position to defend itself against threats to its security and existence.

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CSO: 4200/719

COLUMNIST ON NEW POWER BALANCE IN GOVERNMENT

HK071213 Manila THE MANILA CHRONICLE in English 4 Jul 87 pp 1, 11

["Analysis" column by Amando Doronilla: "Salonga, Mitra May Erode Cory's Powers if She Remains Passive"]

[Text] The selection this week of Sen. Jovito Salonga as Senate President and Rep. Ramon Mitra as Speaker of the House breathes life into the emerging rival power center to the Presidency--the new Congress.

The new political leviathan is stirring and flexing its muscle with the awareness that under the new Constitution and in accordance with our political traditions, it now has broader powers than the previous Congress in relation to the President.

In the selection of its leaders, the members of Congress serve notice that it is going to assert aggressively its independence within the system of checks and balances. Indeed, the nomination of Mr. Salonga and Mr. Mitra marks the beginning of the skirmishes over the balance of power between Congress and Malacanang.

Soon after they were nominated, they made clear that they have minds of their own, as well as policy agendas for the nation. If President Aquino does not beware, she may find soon enough that the initiative to lead the nation will be grabbed by Congress.

Following his first meeting with the President, after his selection as Senate chief, Mr. Salonga said he pledged his "full cooperation" to the Chief Executive, but he was careful to emphasize that the cooperation was to her program which he claimed he had drafted. In the long history of the Senate, it has always been the thorn on the side of the presidency and has shown more independence than the House. This tradition, together with the fact that Mr. Salonga is a strong personality, is certain to ensure that there will be strong days ahead in the definition of the boundaries of power between the Senate, let alone the House, and Malacanang.

The incoming Speaker, Mr. Mitra, is even more brash and impatient. Within hours of his nomination, Mr. Mitra outlined his own legislative agenda which gives priority to the following issues--agrarian reform, law and order, national security, economic recovery and corruption in Government.

Mr. Mitra's presidential ambitions are ill-disguised. His drive for power accounts for the fact that he took the path to the House, rather than to the Senate, with the speakership as the springboard to the presidency. So far, he is no target. In the context of his plans, Mr. Mitra, in outlining his legislative agenda, is striving to be seen as presidential timber.

In rapid-fire fashion, Mr. Mitra has named Rep. Herminio Aquino of Tarlac, an uncle-in-law of the President, head of a congressional task force to study the agrarian reform program. The formation of the task force is an act to preempt the initiative from the President to proclaim a land reform program by decree before Congress formally sits on July 27. Mr. Mitra has said that he expects the task force to come up within the first sitting of Congress "a new agrarian reform program draft reflecting the thinking of all sectors of society, including the new members of Congress". Needless to say, a significant number of the members are landlords or their surrogates.

Although Mr. Mitra would like Congress to legislate quickly on land reform, his bias against land redistribution is right away betrayed by his plan to name a Negros Occidental sugar planter, Rep. Hortensia Starke, vice chairperson of the task force.

We have in Mr. Mitra's scheme the makings of a conspiracy to grab from Malacanang the initiative to decide the fate of land reform legislation which, in the experience of this country, has suffered badly in the hands of our legislatures. The past Congress has been the power base of vested interests, particularly the landed interests.

But what should really worry President Aquino is that at this very early stage in which the balance of power between the presidency and Congress is being defined, Mr. Mitra is showing up Mrs. Aquino's phlegmatic leadership. Mr. Mitra is illustrating the contrast of his own dynamism in shaping the agenda of the nation with the drift that habitually paralyzes the Executive leadership.

The President, as the paramount leader of the nation, ought to be the fountain head of bold initiatives and of agenda setting. It ought to originate the selection of issues that should be on the agenda, but what is happening is that Mr. Mitra is beginning to define the issues, according to his own agenda.

This is a distortion of roles. Part of the responsibility for this interventionist tendency coming from congressional leaders lies in Mrs. Aquino's passive vision of the future for this nation. She has thus created a leadership vacuum. Ambitious people like Mr. Salonga and Mr. Mitra are beginning to try to fill this vacuum by grabbing the initiative in forming the national agenda.

If Mrs. Aquino does not act swiftly enough to stop the eroding base of her leadership, she will soon be reduced into a reactive President rather than a creative one. She will be reacting to the initiatives set by Congress. The Filipinos elected only one President--not a collectively called Congress to lead them. If she does not define her own domain of power, she will eventually find that, through unwitting abdication, she has become hostage to Congress, unable to govern effectively.



TALKS ENDANGERED BY MNLF SPOKESMAN'S OUSTER

HK021327 Manila THE MANILA CHRONICLE in English 2 Jul 87 pp 1, 6

[Text] Efforts to resume the collapsed Mindanao talks were endangered yesterday with the alleged ouster of Ustadz Sharif Zain Jali as official Moro National Liberation Front spokesman by chief MNLF negotiator Habib Hashim.

The past few weeks, Jali has been quietly serving as a "transmitter" of information between the government on one hand and chairman Nur Misuari and Hashim on the other hand.

It was largely because of Jali's presence that the government was able to clarify and firm up its proposals to the MNLF. Jali is now awaiting the final government proposals which would form the basis for the draft Executive Order to be signed by the President before July 27.

Before his ouster as spokesman by chief negotiator Hashim, Jali was expected to transmit the government's proposal by phone to Hashim who is in Pakistan, and to handcarry it to Misuari.

"I am no longer the spokesman, according to Hashim" Jali told 'CHRONICLE', adding that he would consult Misuari on this because it was his understanding that Misuari, and not Hashim, had appointed him to that position.

Asked who conveyed his appointment as spokesman, Jali said it was Hashim himself.

Hashim also told 'CHRONICLE' before he left for Jeddah that in his absence, Jali would act as MNLF spokesman. Hashim added that the only instructions for Jali on his job was to "use his common sense."

Jali said he thought Hashim's action was prompted by reports in international media misquoting chief government negotiator Emmanuel Pelaez as saying that Jali had been talking with him.

"The international media made it appear that I was conducting talks with the Government," Jali said. "But I always said I was only a transmitter as the 'CHRONICLE' reported yesterday."

Jali added that personally, he was "very tired" of his role as spokesman because "I don't want to be involved in politics, in intrigues I don't want to be pursued by newsmen, I just want to teach Islam."

Besides, he said, he has his hands full as chairman of the committee on Shariah Courts and as civilian coordinator of the MNLF.

Jali could not confirm another report that Misuari was no longer in the country. Misuari, other MNLF sources said, is difficult to track down since he never stays for a day in one place.

Misuari easily goes in and out of the country reportedly because he uses a speedboat which is faster than a Navy patrol boat. By boat, Misuari reaches Sabah, Malaysia in less than seven hours and can be back in Sulu on the same day, the sources explained.

Meanwhile, Hashim also insisted yesterday that a representative of the Organization of Islamic Conference [OCI] be present when talks resume in Manila.

In reply, Pelaez told the 'CHRONCLE' he would soon contact the Philippine Embassy in Saudi Arabia to convey to OIC secretary-general Syed Sharifuddin Pirzada the government's invitation to the OIC to be present once an agreement is reached after talks between the MNLF and government panels.

Despite differences between the MNLF and the government on when the OIC should be present, Pelaez remained confident of reaching a final agreement.

Asked for his reaction to the removal of Jali as MNLF spokesman, Pelaez said he would first "clarify the matter" before believing the report.

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CSO: 4200/719

URBAN GUERRILLA FRONT OPERATING IN HOSPITALS

HK141325 Manila THE MANILA CHRONICLE in English 13 Jul 87 pp 1, 6

[By Staff member Manny Mogato]

[Text] A new urban guerrilla front which operates in the city's hospitals and clinics and with doctors, nurses and janitors mainly as its members has been set up by the New People's Army, military intelligence officials said yesterday.

The new front, calling itself the Juan Escandor Brigade, is operating in several government and private hospitals in Metro Manila, the official said.

Meanwhile, Maj. Gen Renato S. de Villa, Armed Forces vice chief of staff, said the local communist rebels are "more violent and vicious" than their counterparts abroad.

He said the local rebels have adopted two "unique" tactics which communists in other countries have not adopted.

The intelligence sources said the new brigade was named after Dr. Juan Escandor, murdered three years ago in Quezon City.

Escandor had reportedly turned down a government offer to head the Philippine General Hospital cancer treatment department and was suspected to be a member of the Communist Party of the Philippines.

The sources said the activities of the brigade would be boosted by a new executive order signed by President Aquino last Friday.

Executive Order 212 would no longer require doctors and other medical practitioners to report to police and PC [Philippine Constabulary] authorities treatment of patients for physical injuries.

The new order has superseded Presidential Decree 169 issued by ousted President Marcos which has enabled the police and the PC to keep tabs of all violent crimes.

The sources said doctors who are members of the new rebel brigade can now treat suspected rebels without military detection.

Wounded soldiers and policemen admitted to hospitals where there are members of the brigade also have higher risks of getting killed than surviving their wounds, the sources added.

The members of the new brigade will also help boost the rebels' supply of medicines and give them access to other hospital needs, the military said.

Meanwhile, De Villa said the rebels' "agaw-arms" or arms-grabbing operations and "revolutionary taxation" are two unique strategies of the local rebels in pressuring the government and draining its resources.

De Villa noted that communist guerrillas in other countries do not stage "agaw-arms" operations. Rebels abroad also do not collect "revolutionary taxes" from local residents, he added.

He said the local communists cover these activities by filing too many complaints of human rights violations before government offices.

De Villa said these complains have resulted in an administrative overload.

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CSO: 4200/719

NDF ASSURES SAFE CONDUCT FOR GOVERNMENT HEALTH TEAMS

Manila MANILA BULLETIN in English 9 Jul 87 p 10

[Article by Isabel C. De Leon]

[Text]

The National Democratic Front (NDF) will not stand in the way of government health personnel rendering vital services to the people living in their areas of operation, a group spokeswoman said yesterday.

Dr. Carmencita David, Makabayang Samahang Pangkalusugan (MSP) chairperson, issued the statement in response to a published report about the refusal of Davao City health officer Dr. Juan Abear Jr. to send medical teams to Malamba, Marilog district, despite reports of disease outbreak there.

At least 69 people have died in the district due to an outbreak of measles and gastroenteritis. Most of the victims were Ato and Baguho triheemen.

David assured that the NDF and the New People's Army (NPA) maintain a policy of respect for the right and responsibility of health personnel rendering services, especially during epidemic outbreaks.

She asked health authorities to send in their medical teams without military escort so that they will not be mistaken for military troops in operation.

At the same time, David chided Constabulary regional commander, Brig. Gen. Romeo Recina, for advising the health office against going to the area as it was "heavily infested with NPAs."

She reminded the military that the safe entry of the medical team could be negotiated as has been proven in previous instances when the NPA released "prisoners of war" for humanitarian reasons.

Instead of conforming with the MSP, David added that General Recina virtually condemned the affected community, many of them children, to death simply because they are suspected NDF sympathizers.



FORTICH DEFENDS MINDANAO BISHOP ON ALLEGATIONS OF NDF TIES

Manila PHILIPPINE DAILY INQUIRER in English 21 Jun 87 p 7

[Article by R. Gatuslao]

[Text] CAGAYAN DE ORO CITY-- A Mindanao bishop yesterday branded as "half-truth" the report linking him to the communist National Democratic Front.

"There seems to be far too many talks and rumors stemming from the alleged revelations of the supposed rebel returnees," said Bishop Ireneo Amantillo of Tandag, Surigao del Sur.

The statement was in reaction to a wire agency report which quoted a rebel surrenderer as saying that Bishop Amantillo was the head of the NDF in the region.

The charges came in the wake of a night raid on a Catholic convent in Tagbina, Surigao del Sur last June 17.

A VHS transceiver video set and camera were taken from the parish priest, Fr. Eli Bianchi, by elements of the 28th Infantry Battalion led by one Lt. Col. Adan.

Amantillo, who was in the city for the convention of the National Secretariat for Social Action, said that his appointment as provincial chairman of the provincial ceasefire committee during the peace talks between the government and the NDF could have been misinterpreted.

The bishop recalled that before the June 17 mass oath-taking of 1,200 returnees in Tandag, some of the surrenderers carried on a smear campaign over the radio by naming several priests as rebel sympathizers.

As this developed, NSSA national director Bishop Antonio Fortich of Bacolod led delegates in urging the Catholic Bishops Conference of the Philippines to condemn the incident in Surigao.

"First they did it on a priest, now there's a bishop," said Fortich, who himself had been accused as a communist sympathizer.

Fortich said the church's "preference for the poor" should not be misunderstood as being "left". He added that attacks of the church would damage the standing of the government especially since the church is identified with the poor.

"Why don't they enlist our help instead?" he asked. Fortich, who was the chairman of the national ceasefire committee, also said that the attacks on the church is part of the Reagan-promoted "low intensity conflict" where Filipino and not American blood will be shed.

"This is derogatory to the faithful in general," he said.

In a separate statement, five bishops, including Fortich, called the attention of civil and military authorities to an earlier agreement that no searches or raids on church establishment and premises will be conducted without the previous knowledge or the presence of religious superiors or bishops in the area.

The raid on Fr. Bianchi's parish, according to reports received by Amantillo, was done "very arrogantly" though the army was armed with a search warrant.

During the search, the priest was not allowed to put on the light or to inform the mayor.

Amantillo, who met RUC 10 commander Brig. Gen. Mariano Adalen in Camp Evangelista Thursday night, said the general has yet to receive full details of the raid.

In a related incident last week, a grenade was hurled at a fact-finding mission organized by the church in Karomatan, Lanao del Norte. The explosive, however, failed to explode and fell short of the balcony of the Catholic convent where members of the mission were staying at the time.

MUSLIMS JOIN ILIGAN ANTIMILITARY RALLY FOLLOWING DEATHS

HK070855 Hong Kong AFP in English 0839 GMT 7 Jul 87

[Text] Iligan, Philippines, July 7 (AFP)--Hundreds of Moslems joined an anti-military rally here Tuesday to protest the killings of two Malaysians and three Filipinos belonging to an Islamic missionary group last week.

The Christian mayor of Iligan joined the rally and said in a speech that the killings could cause further international repercussions if the Philippine Government failed to take action.

The Malaysians and three members of the Maranao Moslem tribe were killed between army detachments 300 meters (yards) apart in nearby Pantar Town, 750 kilometers (466 miles) south of Manila, in a night-time ambush on June 29.

The five belonged to the Tableegh missionary group.

Mayor Allan Flores told demonstrators estimated by police at 2,000 that "something might happen" in Iligan, a Christian-dominated city serving as a gateway to Moslem Mindanao, if Manila failed to act immediately.

A Tableegh leader, lawyer Hadji Ali Sulaiman, sought to allay fears of bloodshed when he told the crowd: "A true Muslim will not gear for revenge. Islam means peace."

Speakers at the rally did not accuse the military of the killings, but participants carried placards accusing government troops of the "massacre."

"The army did it, not the MNLF," said a placard, referring to the Moro National Liberation Front (MNLF), the main Moslem separatist rebel group.

Military officials have hinted that MNLF members could have been behind the killings to embarrass the government.

The chief investigator of the case indicated Tuesday that it might have been impossible for rebels to penetrate the area at the time of the killings, but he admitted that they had pinpointed no suspects, or located any eyewitnesses.

Elpidio Nacua, National Bureau of Investigation chief agent for Iligan, told reporters before the rally that passengers of a cargo truck that passed the ambush site minutes before the incident were mauled by men wearing fatigues.

"The same men in fatigues demanded cigarettes from passengers of another vehicle that passed by the same place a few minutes later," he said.

Relatives of a Filipino victim in turn claimed that the uniformed men demanded money from other passers-by. "They were allowed to leave only after they handed the armed men cash," said Salic Ali, brother of one of the victims.

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CSO: 4200/719

NEGROS BISHOP ON APPROVAL OF VIGILANTE GROUPS

HK091413 Manila THE PHILIPPINE STAR in English 9 Jul 87 p 3

[By Roman Floresca and Satch Conta]

(Text) Bishop Antonio Fortich of Bacolod City has expressed approval of vigilante groups even as he dashed hopes for a resumption of the peace negotiations between the government and rebels.

How can we go back to the negotiating table when the military and the New People's Army continue to shoot at one another, said Fortich, chairman of the National Ceasefire Committee.

Fortich said he saw nothing wrong with the formation of vigilante groups such as the Alsa Masa provided these groups are placed directly under the military.

And they should be officially declared as being part of the military machinery, he added.

Fortich, however, did comment on reports that several landowners in Negros are organizing some kind of an army.

On the issue of peace negotiations, Fortich sees very little hope for a resumption of the talks which was aborted last January when government and rebel negotiators decided to stop meeting.

Recently, President Aquino called the 12 bishops of the country to a conference in Malacanang to ask them for their opinion on how peace can be achieved and how the rebels can be lured back to the negotiating table.

Fortich said he told the President the rebels will never agree to any resumption of the peace talks unless the military abandons its total war stance.

"We are ready to help the government in its effort to achieve peace," he said. "We are even willing to go up the mountains and talk to these rebels, but how can we ask them to come down when no less than President Aquino herself has declared a total war against them."

The problem is that "we are not negotiators but mere facilitators," he said.

Fortich, however, did not rule out the possibility that peace on a regional basis could still be attained.

In the case of Region 6 (Western Visayas), however, Fortich believes that a negotiation of peace is very remote.

"May be if we go back to what the government did before the 60-day ceasefire then there might be a chance," he said.

He did not elaborate.

Back in Bacolod, Fortich said the communists will not come down and talk, much less surrender, if they continue to perceive there is internal instability in the government.

He said the communist leaders in Negros Occidental, of which two were former priests, have expressed apprehension that there will be no substantial changes in the government.

Rebel priest Frank Fernandez who barely escaped an assault by soldiers of his camp in Barangay Gawahon, Victorias last week had denounced the President's call for a people's war against insurgents.

Fernandez claimed that the U.S. Pentagon planners are pushing the Aquino Government to oppose the CPP [Communist Party of the Philippines]-NPA which is a hindrance to the U.S. design of controlling the Philippine Government and its economy.

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CSO: 4200/719



BAGUIO WEEKLY REPORTS MESSAGE, FUNERAL OF CORDILLERA REBELS

Baguio City THE GOLD ORE in English 27 Jun 87 p 5

[Article in "Counterpoint" column: "Dreams"]

[Text]

MY FRIEND Felix Cabading, former OIC vice-governor and now provincial Fiscal of Benguet, came prepared with a message for the necrological services at the Cordillera House Wednesday morning. Before the bereaved friends and relatives gathered around the biers of Candido Barbasan, Kada "Ka Moro" Penadeng, Segundino "Gunding", Rico Cawi and "Stib" Garwinn, Felix read his typewritten draft:

"They had a dream. They dream that the peoples of the Grand Cordillera have cast aside their prejudices against each other, prejudices built and bordered by the mountain ranges separating them. They dream that their bonds of brotherhood were stronger and more than the petty quarrels brought about by a refusal to converse. They dream that the Cordillera brotherhood can be seen and felt more palpably at this point when many covet the richness that their God-given lands contain. They dreamed that each of these peoples are masters of their destiny in a greater alliance towards nationhood. All these they dared to dream; they dared to relentlessly pursue, and for these dreams they were killed.

"Those who took their lives might have thought that what they have dreamed and worked for, would be buried with them.

Little have they realized that their deaths were sparks that will light a thousand more minds to their ideas and dreams worth dying for. It is now for us, the living, and to whom these thoughts of a dream of nationhood of the Cordilleras has been passed on, to pursue with more vigor what our people must achieve.

"It is now for us to make the dream come true. It is now for us to pledge before these comrades that they have not died in vain.

"That we shall see our Grand Cordillera peoples marching in freedom and prosperity. Freedom from any type of foreign domination - freedom from the shackles of economic imperialism personified in transnationals of whatever hue or line."

And then he added:

"Freedom from any repression or oppression."

THE RELATIVES of the ambush victims have asked us to convey their thanks to all those kindhearted individuals and groups who share their bereavement.

Ka Moro, whose relatives could not come, received more than four thousand pesos given by even people who saw him only in death.

Only DIC Mayor Francisco "Ping" Paman was present and spoke at the memo-

rial services. Mayor Ping had met these men only last September at Mt. Data. Since then he had officially welcomed them to Baguio many times, times he had even broken bread with them. This was one time he could not shake the hands of the fallen warriors. He must have remembered that Ka Moro headed Ambo's security escort when they first met at Mt. Data and at the peace conference in which then OIC vice-mayor Rene Cortes presided in the evening's session for peace.

#### WHERE IS Ka Ambo?

He is safe, we are convinced. But the four Cordillera panel members we spoke with, who also survived the ambush, were emphatic that Ambo did not seek any AFP protection and was in a sanctuary protected by the people of Abra in that area.

They said that Ambo is as eager now, perhaps even more so, to pursue his objective of an Interim Cordillera Regional Administration. Eight of his men died for this. As the leader they trusted, Ka Ambo must be stronger resolved to pursue the peace his fallen comrades gave their lives for.

A new chapter begins in the beautiful if painful story of our people's quest for Cordillera nationhood.\*25 June 87

/13046

CSO: 4200/728

## INFLATION RATE STILL SHOWING UPWARD SHIFT

HK071143 Manila MANILA BULLETIN in English 15 Jul 87 p 15

[Text] The National Census and Statistics Office (NCSO) has noted a continuing upward shift in prices of consumer goods and services in the country as inflation rate was recorded at its highest level of 4.58 percent in June this year.

NCSO reported to the National Economic and Development Authority (NEDA) yesterday that all-items index increased 1.24 percent as the consumer price index (CPI) stood at 367.5 in June from 363 in the previous month of May.

In Metro Manila, more price advances were registered during the month of June, yielding an average price increase of 1.73 percent as against May's 0.54 percent. CPI rose to 394.5 in June from 387.8 in May.

A similar price trend was also noted in areas outside Metro Manila where CPI moved up to 362.3 in June from 358.2 in May with a monthly rise of 1.14 percent.

By areas, the highest inflation level was recorded in Metro Manila with 7.9 percentage points in June this year. Areas outside Metro Manila recorded a 3.93 percent inflation rate.

Observers expressed the view that the increasing tendency of inflation rates could be attributed to the carry-over of heavy expenses the previous month of May, the anticipation of an increase in oil prices for the month of July this year, and the adverse effects of cement shortages in Metro Manila last summer.

According to NCSO statistics, the food, beverage and tobacco index displayed the highest monthly increment among the commodity group indexes. Add-ons in the prices of rice, corn, fruits and vegetables were reported in all regions of the country.

It also showed increased prices for dairy products, eggs, meat and miscellaneous foods such as calamansi, sugar and cooking oil.

The tuition fee hikes in all levels of education, particularly in private schools during the opening of the school year, were said to have contributed considerably to the increase in the level of inflation rate in the country.

The NCSO has also recorded an upward trend in wages for household helpers and admission fares in movie houses. These increases, including the tuition fee hikes contributed a 1.15 percent hike in the service index.

Fuel, light and water index advanced 0.86 percent for the entire Philippines, 1.53 percent for Metro Manila and 0.72 percent for areas outside Metro Manila. This was attributed to higher prices of chopped branches and coconut charcoal in many areas. In Metro Manila, it was caused by upward revisions in electricity rates and water bills correspondingly imposed by the Manila Electric Company (Meralco) and the Metropolitan Waterworks and Sewerage System (MWSS).

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CSO: 4200/719

# BANK OPPOSES MONETARY BOARD DEPOSITS POLICY

Manila MANILA BULLETIN in English 9 Jul 87 p 17

[Text]

The Philippine National Bank (PNB) is opposing the resolution of the Monetary Board, Central Bank's policy-making body, authorizing four leading private commercial banks to accept deposits from the national government and government entities, Edgar do B. Espiritu, PNB president, said yesterday.

"It (the authority) is unfair in many respects considering that PNB in particular is still in the rehabilitation stage and the banking system in general has to be strengthened," Espiritu said.

The Monetary Board recently accredited Bank of the Philippine Islands (BPI), Far East Bank and Trust Co. (FEBTC), Metropolitan Bank and Trust Co. (Metro-

bank) and Philippine Commercial International Bank (PCIB) as government depositories. The move triggered a howl of protest from PNB, which is sending a strongly-worded position paper to the MB.

PNB has some P7 billion in government deposits. The entry of the four private commercial banks would adversely affect PNB's profit picture. Some P1 billion in CB deposits earn about four percent annually. Some P2 billion in peso treasury bills also earn between eight and 10 percent yearly.

Under CB Circular No. 1121, government depository banks other than the CB are required to maintain a 75 percent liquidity floor for government deposits or borrowings in the

form of government securities such as CB deposits and treasury bills.

The required reserves against deposits and/or deposit substitutes are included in the liquidity floor.

Espiritu said that the MB has yet to release the guidelines. He believes, however, that the four banks may get a big chunk of PNB's lucrative market. "If the deposits will be those on a monthly basis, we won't be affected," he said.

The bone of contention is on the demand deposits which might be a source of graft and corruption among bank employees. The Commission on Audit (COA) cannot monitor or audit the deposits in the private banks. (Oscar M. Gallamos)

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CSO: 4200/732



MANILA ELECTRIC LOAN RESTRUCTURE EFFORT

Manila MANILA BULLETIN in English 9 Jul 87 p 17

[Article by Ellen P. Samaniego]

[Text]

The Manila Electric Co. is nearing completion of its restructuring agreement with the National Power Corp. (NPC) involving its P3.2 billion outstanding loan.

Meralco president Manuel Lopez said in an interview that he has proposed to restructure the company's overdue account of as much as P1.9 billion into a seven-year period provided it can immediately pay about P500 million in lump sum to the NPC.

While these terms would enable Meralco to be "current" on its payments with the government power firm, Lopez is lobbying with the NPC that the overdue amount be paid only on the fifth, sixth and seventh year.

NPC president Conrado del Rosario said at a press conference yesterday that the seven-year restructuring agreement is likely to be

approved but the NPC still has to iron out certain disagreements with Meralco.

Del Rosario specifically pointed to the differences in interest rates that will be applied on the loans as well the amount of the overdue portion. He said that while Meralco is claiming that its overdue account only amounts to P1.5 billion, NPC's figure stands at P1.9 billion.

Meralco's previous negotiations with the NPC on the settlement of its huge obligations failed to yield concrete results because of the burden the utility firm has to carry considering its bad financial plight.

Lopez said that since Meralco's performance appeared to have started improving, it plans to repay its obligations through its own cash generation and portion of the amount through bond floatation.

NPC's outstanding

receivables as of end-March this year have ballooned to P4.8 billion, which is straining its cash flow position. Of the amount, about P1.6 billion represents current receivables and P3.2 billion overdue accounts.

The share of Meralco to the outstanding receivables was a huge P3.2 billion; the cooperatives under the National Electrification Administration, P784 million, of which P539 million was already overdue; and certain government firms, P291 million, of which P261 million was overdue.

Private utilities' outstanding obligations to the NPC in the first quarter of the year, on the other hand, amounted to P207 million, of which P98 million was overdue; some industries had P475 million, of which P228 million represented the overdue portion.

MILLS IN CUTTHROAT COMPETITION FOR SCARCE SUGARCANE SUPPLY

HK131131 Manila MANILA BULLETIN in English 13 Jul 87 p 21

[By M.M. Alunan]

[Text] Bacolod City--Sugar mills, mostly in Negros, are actively engaging in "pole-vaulting" activities in a cutthroat competition to corner scarce sugar cane supply, which has dropped tremendously with the continuous decline in hectareage planted to sugar.

In order to operate viably, the sugar mills need enough supply of sugar cane which they now obtain erratically from other milling districts.

Lands planted to sugar have shrunk continuously--from 495,674 hectares in 1981 to 463,577 hectares in 1982, 406,750 hectares in 1984, 305,547 hectares in 1985 and 267,700 hectares in 1986, records from the Sugar Regulatory Administration (SRA) revealed.

The volume of cane milled and the tonnage of sugar produced have also correspondingly dropped significantly.

Both hectareage and sugar tonnage are expected to drop further this year or in the next few years as more sugarlands are being diversified to make way for other crops or simply abandoned or left idle.

Another major factor for the abrupt decline is the freezing of production loans from various commercial banks over the uncertainties of the fate of the sugarlands expected to be fragmented with the implementation of the proposed comprehensive Agrarian Reform Program (CARP).

Many of the 41 sugar mills and nine refineries were set up starting in 1973 and 1974 when world market prices of sugar hit as high as 65 U.S. cents per pound but suddenly dropped to as low as five to six U.S. cents by 1975.

In 1975, the area planted to sugar reached as high as 553,153 hectares which produced 3,174,555.1 metric tons of sugar.

From 3.17 million metric tons that year, production of sugar dropped steadily to 2.45 million metric tons in 1982-1983, down to 2.32 million metric tons in 1983-84, further down to 1.72 million metric tons in 1984-85, to 1.52

million metric tons in 1985-86, and finally to 1.33 million metric tons for crop year 1986-87.

Despite the drop in sugar cane supply, the mills still continue to operate and only three have totally shut down operations.

Even Victorias Milling Corp. (Vicmico), which used to mill sugar all year round, has declared that it will temporarily stop operating from July to September.

From a peak of 75,000 hectares of land planted to sugar, the Victorias sugar milling district's hectarage planted to sugar has been reduced to 25,000 hectares following the severe recurring crises hitting the industry since 1975.

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CSO: 4200/719

JAN-MAY OIL IMPORT BILL RISES 42.8 PERCENT

HK031434 Manila MANILA BULLETIN in English 3 Jul 87 p 25

[Text] The country's oil import bill during the first five months jumped by 42.8 percent from last year's \$364.6 million to \$520.5 million because of rising demand in the local market and increasing crude oil prices in the world market.

The Bureau of Energy Utilization [BEU] indicated in a report yesterday that domestic consumption of all petroleum products reached 26.56 million barrels, or 10 percent more than the 24.15 million barrels registered in the first five months of 1986.

Oil demand of large industrial and commercial establishments during the five-month period such as those engaged in the manufacture of food, paper, glass, textile, cement, steel and metal and chemicals went up to 16.03 million barrels. Last year, the industrial sector's petroleum products consumption was 10 percent lower at 14.57 million barrels.

The BEU noted that oil demand of the sector was highest in May, which accounted for 3.63 million barrels, reflecting the improved economic activities.

However, BEU noted that consumption of the other industry sectors such as power generation, lube refining, mining, contractors, logging and wood products and fertilizer remained low.

The total crude and product supply from January to May was placed at 30.43 million barrels, or 35 percent higher than the previous year's 22.5 million barrels.

Of the total supply, Caltex Philippines, Inc. accounted for 36.8 percent or 11.19 million barrels; Philippine National Oil Co., 10.75 million barrels, and Pilipinas Shell, 7.79 million barrels.

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CSO: 4200/719

TAN, MEDIA, PCGG ROLES IN STRIKE AT ASIA'S LARGEST PIGGERY

Manila MR. & MS. (Special Edition) in English 26 Jun-2 Jul 87 pp 7, 8

[Article by Bernardo V. Lopez: "The Foremost Farms Labor Problem--Rich Man, Poor Man..."]

[Text]

*This article is based on interviews with the Federation of Free Workers (FFW), the Presidential Commission on Good Government (PCGG), and the Foremost Farms Workers' Union (FFWU).*

**T**HE power over media, government, and labor is demonstrated by the six-month-old Foremost Farms strike. Media has been relatively silent on the issue. The Philippine Commission on Good Government (PCGG), to date, has failed to sequester the firm in spite of and because of a controversial military assault on the Foremost Compound. (Military elements deputized by the PCGG to take physical control of plant premises and facilitate the sequestration were charged with "Grave coercion, etc." in the municipal court of Baras, Rizal as a result of a case filed by the lawyers of Foremost Farms.) Workers hired by management (called "scabs" by

striking workers) used helicopters and jeepneys escorted by security forces to break the picket lines in a violent dispersal.

Foremost Farms is considered the biggest piggery in Asia. Operations are in Pinugay, Baras, Rizal (144 hectares) and in Pantay, Teresa, Rizal (77 hectares). Of the 650 workers, about 560 are union members. Reputedly, total capacity for the two sites is a whopping 108,000 hogs.

Workers report that before the strike, daily sales reached to about 500 hogs at an average of 90 kilos per hog, yielding gross sales per annum of about P450 million, more than a third of gross sales of San Miguel Corp.

Foremost uses sophisticated Taiwan technology with bio-gas features and the conversion of pig dung into fertilizer. Its quarantine control, involving foot baths and chemical showers, is so strict that when the military



scaled the Foremost walls (without quarantine), they were blamed for the death of many hogs due to diseases, bringing down production.

## MEDIA

Media is never beyond reproach. Workers claim that media, by "yielding" to the information blackout, is a culprit in the affair. Only a tiny page-three article came out in *Tempo*, reporting briefly the violent picket dispersal (January 1986). There were a few interviews with Radyo ng Bayan and DZRH but nothing was published on Foremost since January 1987, a virtual media black-out. According to a person who has worked with Lucio Tan, owner of Foremost Farms, it's been a "common" practice since the Marcos days that powerful businessmen, under threat of withdrawing ads that give huge income, are able to suppress critical articles against them. It is possible that the Foremost strike is too insignificant to hit print, but a violence-prone strike involving the biggest piggery in Asia and affecting 650 workers is hardly insignificant to many.

Members of the 600-strong FFWU, affiliated with the FFW, spoke bitterly, *"Patí sa media ngayon, wala na kaming tiwala. Puro sa matataas tumitingin, wala sa haba kulit na kaming maliliit ang tama sa katuwiran. Yan ang hindi nawawala sa Pinoy. Kaya tuloy naiisipon ng*

*marani na manwindok na lang. Kupaq walang katarungan, marani ang nakukaisip ng hindi maganda."* (We no longer trust the media today. They cater to big shots even while we small people are right. That's always the case with Filipinos. That is why many are thinking of joining the rebels. If there is no justice, many begin to think of radical ways of getting it.)

## GOVERNMENT

It is surprising to note that on 18 December '86, a day after the union filed a notice of strike, Augusto Sanchez as Labor Minister issued a return-to-work order without any dialogue or compromise agreement, according to the workers. It was even more surprising when Bobbit Sanchez and Lucio Tan's lawyer, Emigdio "Ding" Tanjuatco, Jr. were both members of the human rights free legal aid group, MABINI. (Tanjuatco is the first cousin of Cory. He is from the Tanjuatco-Oreta-Tanjuatco law office. The other Tanjuatco is his father. Oreta is an in-law of Teresa Aquino Oreta, Cory's sister-in-law. Sanchez was about to be replaced at the time of the Foremost affair.)

The workers accuse the Department of Labor (DOLE) of sitting on their case for six months now. They ask if the delay is orchestrated or planned or if it is simply a case of inefficiency. There were three hearings in January but all

resulted in failure. Workers say that management insists that rehiring of striking union members has to be selective (i.e., exclude strike instigators, the newly elected officials of FFWU), and to this the union cannot possibly agree.

But just as Labor opened its mouth to object to the delay in conciliation, DOLE finally issued a decision Friday, 19 June. The decision gives an order for the picketers to return to work, including the newly-elected union officers, whose election management is contesting. The DOLE decision also states that the "scabs" acquired during the strike are illegal and must be terminated.

The failure of Foremost's sequestration is a classic example of government weakness. The Fortune and Lucio Tan cases are a specially being handled by PCGG head, Ramon Diaz.

According to a PCGG source, when the military scaled the walls of Foremost, cutting off telephone lines in a bid to take physical control, the PCGG fiscals never knew about it. PCGG was accused of mishandling the case and not being able to control its military deputies.

(The military reportedly backed down in the confrontation with the reputable ex-PC security force of Fortune. The source believes that the military may have planned the scaling of the walls without PCGG knowledge to rectify its lost pride in the initial encounter.)

Fortune lawyer Pedro Revilla, an ex-judge, filed a case with the Municipal Court in Teresa, Rizal on charges of "grave coercion", etc. PCGG elevated the case to the Regional Trial Court of Pasig by filing a petition for injunction. They also want the case transferred to the Tanodbayan, arguing that the case involved "public officers" (i.e. the military operatives). In other words, a tribunal with revolutionary judicial powers (the PCGG) becomes a respondent to other tribunals — the Municipal and Regional Trial courts, considered by many as "lower" in status than the PCGG with its revolutionary powers.

From a legal standpoint, Lucio Tan has successfully outmaneuvered the PCGG, at least temporarily. Delay is his greatest ally in neutralizing the "tentacles" of sequestration. But the military initiative gave him the opportunity for delay. And, if it was true that the military backed down against the Fortune forces in the initial confrontation, then perhaps Lucio Tan is still the "Untouchable" as some label him.

## LABOR

The Foremost workers struck because of alleged union-busting moves by management and violation of the Collective Bargaining Agreement (CBA). The CBA issue involves medical benefits, the use of service buses, etc. But this is dwarfed by the union-busting issue as THE problem, demotion of

union officers, termination of union members, and the non-recognition of the union's newly-elected officials based on objections from the old officers led by Aranza Mendez. Union members accuse management of driving a wedge to split the ranks of the union by siding with and financing the Mendez faction. They claim that the Mendez group is now part of the "scabs" operating the piggeries.

Six days after the workers set up a picket at Pinugay and Pantay, violence erupted, workers report. Charlie Rebellion, a striker, was hit by a bullet in the leg on the evening of 22 Dec. 86. The next day, at the crack of dawn, security forces (which workers branded as "Lucio's Lost Command"), assaulted the picket line, according to workers' accounts. They report about 20 hospitalized but the picket was unbroken. The workers' bicycles were smashed, cassettes were stolen, streamers torn down, they added. Pandemonium broke loose. The workers say the assault was led by a certain Rodriguez, an ex-PC-lieutenant. Fortune security is spearheaded by ex-Col. Francisco Agodon (PC) and ex-Col. Benjamin Feliciano (PC), also the personnel manager, according to union members.

At Pinugay, "scabs" were flown in by helicopter as early as the first day of strike. Workers reported that from 23-24 Dec., the Aranda Mendez "scabs" of more than a hundred and by

the jeeploads, escorted by the men of Rodriguez, broke through the Pinugay picket cordon. At Pantay, however, when unescorted jeeps failed to break through, they employed a bulldozer wrapped in barbed wire and escorted by security forces. This did not work against the solid *kapit-bisig* line.

On Christmas day, perceiving that the Pinugay picket was disintegrating, the Pantay picket capitulated under a hail of bullets. Although there were no injuries, the dispersal was an utter success. *Kapit-bisig* was no match for bullets.

Today, there are about 400 "scabs" at Pinugay and about 200 at Pantay, the workers report. And Mendez has reportedly organized a new "union" called the Confederation of Free Workers (CFW), which has no affiliations with any labor umbrella. The old union labeled CFW as "a puppet of management". Today, except for a few streamers standing mutely at one gate of the Pinugay plant manned by a few "strikers", the picket is non-existent. "Scabs" enter and leave at will and operations continue. Workers report that although the strike has reduced production by half, Foremost has successfully dispersed a strike for half a year now, the Labor Department sat on the case until the historic decision of June 19.

Some workers (about 10 per cent, they say) have looked for other jobs. Others

went home to their provinces.

### FOREMOST LIVES

The Foremost Affair gives several lessons — the weakness of government (PCGG and DOLE), the strength of private-sector elements implying efficient "professional" strike dispersal forces, and the role of media in addressing the issue.

With the new decision, the workers will trek back to Foremost. But will they be able to work? Will the formidable Lucio Tan yield to Labor? Many observers say, knowing Tan, DOLE must commission the military to implement its June 19 decision. But even the military failed to take physical control of the Foremost sites in the past. Other observers feel that the Chinese trait of gaining a good PR in Labor is a good long-term investment. In conceding to labor demands, Lucio may also be eventually strengthening himself from sequestration.

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CSO: 4200/728

## BRIEFS

**DEMILITARIZATION RESUMED**--Defense Secretary Rafael M. Ileta resumed yesterday his "demilitarization" of his department by relieving 25 officers and 60 enlisted men occupying civilian positions and returning them to their mother units. This brought to 85 officers and 390 enlisted personnel or a total of 475 the number of military men he had yanked out of the department since he took over the defense portfolio from Juan Ponce Enrile. A defense spokesman said that continuing "demilitarization" of the department was in line with the Constitutional provision prohibiting any member of the Armed Forces in active service from occupying a civilian position in the government. The spokesman, however, could not give an exact figure of military officers and men Ileta inherited from Enrile. Last month, Ileta issued an order defining military positions as "those indispensably requirement military knowledge, proficiency, and expertise in the light of defense and security functions," or which connote functions "inherent to a person on active military status." Following this definition and on the basis of an in-depth study made by an ad hoc committee headed by Defense Undersecretary Fortunato U. Abat (Maj. Gen. Ret), the DND [Department of National Defense] executive staff and administrative offices can only have a maximum permanent military complement of 38 officers and 142 enlisted men. [Text] [Manila MANILA BULLETIN in English 1 Jul 87 pp 1, 12 HK]

**CHARGES ON 1985 BANK CLOSURE**--Central Bank Governor Jose Fernandez, former SSS [Social Security System] Administrator Gilberto Teodoro, and three others will be charged criminally before the Sandignang Bayan [anti-graft court] with the closure of Banco Filipino's Savings and Mortgage Bank in 1985. The charges will be filed by the Tanodbayan [ombudsman]. Aside from Mr Fernandez and Mr Teodoro, the others facing charges with Central Bank are Deputy Governor Carlota Valenzuela and Central Bank Special Assistant (Arvy Chauqui) and Arnolfo Aureliano. Tanodbayan Justice Raul Gonzales said the four central bank officials and Mr Teodoro were found criminally liable for the arbitrary and capricious closure of Banco Filipino. The case was filed with the Tanodbayan by the anti-graft league of the Philippines. Meanwhile, Central Bank Governor Jose Fernandez asked the Tanodbayan for a reconsideration of the resolution to charge him before the Sandignang Bayan. Mr Fernandez' resolution is due for hearing next week. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 3 Jul 87 HK1]



**AS FACE BLEAK HARVEST--Cotabato City--**Farmers in four towns of Cotabato facing bleak harvest because of tungro infestation, an agriculture official said. Asst. Regional Director for Operation Abusama M. Alid of the Department of Agriculture said the affected are Malang, Midsayap, Kabacan and Matalan. The infestation, Alid said, has already damaged some 50 hectares of rice land since May. When tungro virus infests palay crops, about 68 per cent of their yield will be lost, Alid said. Most of the affected farmers, he said, have to repay their loans from banks which they used for inputs like seeds and chemicals (PNA). He said many of the farmers were recuperating from losses incurred during the long dry spell. Agriculture technicians, he said, have started spraying insecticides to save uninfested farmlands. Farmers from neighboring towns of Cotabato and Sultan Kudarat have been alerted to watch against possible tungro infestation to their crops and report them immediately to agriculture technicians. [By PHILIPPINE NEWS AGENCY] [Text] [Davao City PERYODIKO DABAW in English 6 Jun 87 p 7 HK]

**AID GIVEN TO MANILA--**Manila, July 10 KYODO--Japan will give 11 billion yen in grant aid to the Philippines this year to support nine projects, including food production, a Japanese embassy official in Manila said Friday. The grant aid for 1987 is a 10 percent increase over last year's 10 billion yen, Yasuaki Tanizaki of the embassy's economic section told reporters in a press briefing. The aid grant for 1985 amounted to 8.0 billion yen. Tanizaki said the projects to be supported by the grant were agreed upon in consultation between a Japanese grant mission and Philippine officials in June. Among the projects to be supported by the aid program are the construction of an outpatient department of the government-run Philippine General Hospital, a training center on tropical medicine and donations of equipment for bridge construction and audiovisual equipment for the Philippine children's television program. The Japanese Government will also dispatch "sector-oriented" missions on the four priority areas for economic recovery--rural development, vocational education and manpower training, industry rehabilitation and trade promotion for small and medium-scale industries. The Japanese embassy official said the Philippines is the third biggest recipient of Japan's grant aid among developing countries after Thailand and China. [Text] [Tokyo KYODO in English 0723 GMT 10 Jul 87 OW]

**TAX TREATY NEGOTIATIONS BEGIN--**Tax treaty negotiations between the Philippines and the Kingdom of Saudi Arabia started this morning at the Bureau of Internal Revenue (BIR) national office in Diliman, Quezon City. The treaty is aimed at avoiding double taxation and preventing tax evasion in relation to links between the two countries. More on this from Andy Macaranas. [Begin recording] It is also hoped that the treaty would lead to increased trade and commercial relations between the Philippines and Saudi Arabia. In opening the negotiations, BIR Commissioner Bienvenido Tan Jr., head of the Philippine negotiations, expressed the hope that the talks would be fruitful to both countries and result in mutual benefits. The head of the Saudi delegation, Yusuf Sales Paden, director general of the Revenue Control Department, Ministry of Finance and National Economy, also expressed belief that the talks would be successful. Philippine delegation to the talks, aside from Commissioner Tan, are Deputy Commissioner Victor Diofague Jr., Assistant Commissioner for Collections Pedro Aquilion, and manufacturing Division Chief

Beethoven Gualo, all of the DIR. The Philippines has entered into tax treaties with 30 countries, 19 of which have been ratified, 8 are pending signatures and 3 pending ratifications. Andy Macaranas reporting. [end recording] [Text] [Quezon City sports Radio 738 in English 0700 GMT 6 Jul 87 HK]

**BARANGAY ELECTION POSTPONED TO MAY 1988**--The government has postponed election of barangay officials to May next year. According to a cabinet official, the government is worried that communists or communist supporters might gain office should elections be held in November. It is expected that the government will save more than 10 million pesos if the election of barangay officials is held simultaneously with local elections. According to reports, 20 percent of the country's 40,000 barangays has been infiltrated by communists. [Text] [Quezon City Radyo ng Bayan in Tagalog 0330 GMT 6 Jul 87 HK]

**CAPCOM LIMITED TO SUPPORT ROLE**--The maintenance of peace and order in Metro Manila will be left to the local police with the Capcom [Capital Regional Command] serving as a support unit only. This was the proposal reached during a dialogue between the governors and mayors of Metropolitan Manila and local government Secretary Jaime Ferrer. Ferrer said they arrived at a consensus that the Capcom need not operate here in Metro Manila. However, Ferrer added that the Capcom will be on standby ready to function whenever the mayors will need its services. [Text] [Quezon City Sports Radio 738 in English 0600 GMT 10 Jul 87 HK]

**MARCOS SUPPORTERS URGE SIN'S OUSTER**--Hundreds of followers of deposed President Ferdinand Marcos have called for the ouster of Cardinal Jaime Sin, the country's most influential church leader in two demonstrations yesterday [5 July] in Manila. About 300 Marcos loyalists picketed the Roman Catholic prelate's residence in Mandaluyong. They carried placards urging Pope John Paul II to save the country from Cardinal Sin. More than 500 women marched behind the portrait of Imelda Marcos. Mrs Marcos, in a magazine interview published last week, accused Cardinal Sin of lusting for her. Some of the women later signed a petition urging the vatican to give Cardinal Sin a mission outside the Philippines because of the cleric's constant involvement in controversial questions of a political nature. Both demonstrations dispersed peacefully. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 5 Jul 87 HK]

**RAMOS WARNS ON COMMUNIST TAKEOVER**--Armed Forces chief of staff General Fidel Ramos assailed groups, whether government or private, and political forces which are seemingly trying to put pressure on the military. In line with this, Ramos issued a warning that it is possible for the communists to take over the country even if the Armed Forces itself is not defeated technically. Ramos said it will be very dangerous for the Armed Forces of the Philippines (AFP) to lose the support of government leaders and the citizenry. He added, the communists know the biggest obstacle to their interests is the AFP. The AFP chief outlined three ways by which the communists could be in power in the country: 1) The failure of the government to take effective counterinsurgency measures; 2) the failure of government to create stability in the country;

3) the weakening of military morale to struggle against the communist rebels.  
[Text] [Baguio City Mountain Province Broadcasting Company in English  
0400 GMT 5 Jul 87 HK]

GOVERNMENT HOPE TO END POVERTY--Trade and Industry Secretary Jose Concepcion, Jr. says the government is determined to alleviate poverty and unemployment in the country. He said the government hopes to wipe out poverty and unemployment by the end of this century by waging a new kind of revolution--an economic revolution. Concepcion made this statement when he installed the officers of the People's Economic Councils [PEC] of the 17 municipalities of Aklan. The PEC is a community-based [words indistinct] group organized to mobilize various local resources to solve economic problems, especially those severely affecting the poor. It is composed of representatives from the trade, industry, and service sectors and other allied groups. [Text] [Quezon City Sports Radio 738 in English 0300 GMT 3 Jul 87 HK]

MNLF DENIES SUPPORT FOR MARCOS RETURN--The MNLF peace coordinating office in Manila has disclosed that the MNLF in Mindanao [words indistinct] plan by former President Marcos to return to the country. Jojo Ysmael has the full report: [Begin recording] The MNLF said they (?disagree) with a newspaper report by a Marcos loyalist leader in Mindanao who said the Muslims are prepared to support Marcos and give him protection if he returns to the Philippines. Earlier an official of the MNLF's Bangsa Moro [Muslim Nation] Army issued a warning to Marcos not to attempt entering the Philippines via Mindanao. He said Marcos has a large debt to pay to the Muslims in Mindanao [words indistinct] will ensure the debt is paid. [Text] [Quezon City Radyo ng Bayan in Tagalog 0330 GMT 15 Jul 87 HK]

SORSOGON CONGRESSMAN GRAFT CHARGES--Tanodbayan [ombudsman] Justice Raul Gonzales has ordered Sorsogon congressman-elect Salvador Escudero III to answer within 10 days the complaints filed against him in connection with the alleged 200 million pesos overpricing in the purchase of agricultural equipments. The reported (?miss) transpired when Mr Escudero was still the food and agriculture minister. The complaint said the anomaly involved two separate transactions. One [words indistinct] worth 20 million pesos, and the other involved the diversion of 176 million pesos worth of fertilizers to an agricultural firm. [Text] [Baguio City Mountain Province Broadcasting Company in English 0330 GMT 14 Jul 87 HK]

SURIGAO DEL SUR EVACUEES--Two hundred evacuees from a town in barangay [word indistinct] in San Agustin, Surigao del Sur, reported that they fled their homes because of bombings by helicopter gunships on July 14. The evacuees, who make up 47 families, fled to Marihatag, Surigao del Sur, [words indistinct] are in urgent need of food, shelter and medicines. They told a human rights group from Manila that their barangay was bombed after some of their members attended a meeting with the 5th Infantry Battalion which was [words indistinct] the Alsa Masa [People's Uprising] in the area. They reported even mortar shells went off in the barangay but no one was hurt. [Text] [Quezon City Radyo ng Bayan in Tagalog 0330 GMT 15 Jul 87 HK]

**INCREASE IN TEXTILE EXPORTS**--Manila, July 14 (AFP)--Philippine garment and textile exports in the first half of the year earned 513.87 million dollars, a sharp 42 per cent increase over the total for the same period in 1986, the Trade and Industry Ministry said Tuesday. The Philippines, which is experiencing a robust economic turnaround after sharp decline from 1983-85, is aiming for one billion dollars in earnings from garment and textiles, which have become among the top exports of the largely agricultural country. A total of 432 million dollars' worth of textiles and garments was exported to the traditional markets, the United States and the European Community, and the rest to Australia, Japan and other countries, statistics submitted by private exporters said. [Text] [Hong Kong AFP in English 0239 GMT 14 Jul 87 HFI]

**PROBE INTO MISSING WEAPONS**--Major General Renato de Villa, Armed Forces of the Philippines vice chief of staff and Philippine Constabulary commanding general, ordered investigations into the missing arms from the armory of the escort and honor guards in Camp Crame. Among the missing weapons are 51 M-14 rifles and 52 M-16 rifles. As of yesterday, it was reported that 33 M-16 rifles and 9 M-14 rifles have been recovered. Eight military men were also arrested and detained at the Philippine Constabulary criminal investigations service station. At the same time, De Villa also issued directives to fight the killings of policemen by terrorists and ordinary criminals. He asked the constabulary and the police to intensify the confiscation of unlicensed and illegal arms carried by unauthorized government officials, soldiers, policemen, and civilians. He also ordered an inventory of arms under the custody of security agencies. [Text] [Quezon City Radyo ng Bayan in Tagalog 0330 GMT 9 Jul 87 HK]

**GROWTH IN PRODUCTION, INCOME**--This year's buoyant consumer market can stimulate a four percent growth in gross domestic production and income for the current year. This is according to Francisco Trinidad Jr., head of the economic forecasting unit of the Center for Research and Communications. Trinidad said that in spite of the expected higher inflation in view of the increase in gasoline and oil prices in the second semester, the increase will not be high enough to blunt the upturn of the economy. He also observed that export earnings in the first quarter of this year were high, boosting the consumer market as a result. [Text] [Quezon City Sports Radio 738 in English 0900 GMT 10 Jul 87 HK]

**BELGIUM PLEDGES AID**--The Belgian Government has promised to help finance several projects in the province of Cebu. The projects include the modernization of the Mactan International Airport and the construction of waterworks systems in Cebu. The pledge was made yesterday by Belgian Ambassador to the Philippines (Alain Dan) during a courtesy call on Cebu Governor Edmundo Rama at the Cebu provincial capitol. (Dan) said the funding would come from the 150 million pesos which his government granted to the Philippines to support its development projects. [Text] [Quezon City Sports Radio 738 in English 0600 GMT 7 Jul 87 HK]



**NPA USES 'NOTORIOUS UNDERWORLD CHARACTERS'**--The New People's Army in Iloilo is so desperate in getting additional men it has to take in notorious underworld characters in their rank. This was the assessment of Major Cesar Elenzano, commanding officer of the regional special action force, as he cited the slaying of a well-known criminal character along with a Sparrow unit member in an encounter in Arevalo District. The criminal character killed during the encounter is Sonny Garan, an escapee from the Davao penal colony who has been the object of police manhunt in the past several years. [Text] [Quezon City Sports Radio 738 in English 0700 GMT 3 Jul 87 HK]

**EXPORT PROCESSING ZONES EARNINGS**--Exports earnings from the three regular free trade zones in the country during the first 4 months of the year rose by 61 percent to about \$109 million worth. The export processing zone authority administrator, Jaime Guerrero, reported that the Baguio City zone ranked in sales of \$63 million during the 4-month period. The 10 firms based at the Baguio City export processing zone only had \$31 million in foreign exchange earnings last year. The Mactan export processing zone exported \$29 million worth in January to April this year. [Text] [Quezon City Sports Radio 738 in English 0600 GMT 3 Jul 87 HK]

**NEGROS ACTIVISTS**--Most of the people camping out at the Negros capitol building are activists who support the communist NPA. According to a spokesman of the military's Task Force Sugarland, the NPA are feeling the pinch in Negros Province, which is why they are sending their civilian supporters to the capital. In this way the NPA is hoping to reduce the military presence in the hinterlands. The activists supporting the NPA have brought several cases against the military in various barangays throughout the province. Investigations into these by the task force indicate that the activists are employing such tactics in order to blacken the reputation of the military personnel stationed in the province. [Text] [Quezon City Radyo ng Bayan in Tagalog 0330 GMT 10 Jul 87 HK]

**FRENCH ENVOY PLEDGES MORE ASSISTANCE**--President Aquino yesterday [9 July] received pledges of substantial economic assistance from the French Government of Prime Minister Jacques Chirac. She has also been invited to visit the country. More on this from Art Pabellon: [Begin recording] [Pabellon] In brief remarks with newsmen after paying a courtesy call on the president, Ambassador Francois [surname indistinct], special envoy to southeast countries said: [Begin Francois recording] We had a long talk with the president and I told the president that everybody in France is waiting for her as soon she wants [as heard]. We have been talking too about the new decision of the French Government to help [words indistinct], economic relations with your country. We do that through economic assistance, and I came in your country not with words but with a decision, and I think that the decision will come in effect very soon. [end recording] [Text] [Manila Far East Broadcasting Company in English 2300 GMT 9 Jul 87 HK]

**MILITARY DENIES ABDUCTION**--The military today denied that it was responsible for the abduction of Ramon Manuel, former spokesman of the National Democratic Front in Pangasinan. Colonel Romem Odi, Pangasinan PC [Philippine Constabulary], issued a denial in response to the accusation by the alleged



spokesman of the provincial operational command of the NPA that the military was behind Manuel's abduction. A press statement signed by the NPA spokesman and sent earlier to various newspapers in Pangasinan and Metro Manila also denied that the NPA had a hand in the abduction of Manuel. Manuel who is also known as ka [Comrade] Elmo and Sandro Sison were abducted by armed men at the Bayanihan center for rebel returnees in Lingayen, Pangasinan last 24 June. At the time of his abduction, Manuel was already a free man after having been granted amnesty by the provincial Reconciliation and Development Council. [Text] [Quezon City Sports Radio 738 in English 0500 GMT 4 Jul 87 HK]

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CSO: 4200/719

FOREIGN MINISTRY SPOKESMAN ON U.S. COPYRIGHTS

BK201615 Bangkok Voice of Free Asia in Thai 1030 GMT 20 Jul 87

[Statement by Director General of the Information Department Sarot Chawanawirat at the 17 July press briefing at the Foreign Ministry on the latest developments concerning the U.S. intellectual property issues--recorded]

[Text] First, concerning the amendment of the Copyright Act, the U.S. authorities concerned have expressed understanding over the fact that the matter is still to be decided. They are closely following the matter, and will wait until September.

Concerning the petition submitted to the U.S. trade representative by the AFL-CIO, or the U.S. labor organization, we have received a detailed clarification from our Labor Department. We have translated and sent it to the embassy in Washington so that explanations can be made to the U.S. trade representative.

Third is the petition from the pharmaceutical association to the U.S. trade representative. As already reported to you by the deputy director general of the Information Department, the U.S. trade representative told us that it had received the petition, but still has to study it. As for our next step, we have to issue explanations and prove that those allegations against us are unfounded. The foreign minister wanted me to report to you that he had forwarded the matter to the Commerce and Public Health Ministries. When the study is completed, the matter will be presented to the Committee to Solve Thai-U.S. Trade Problems headed by Foreign Minister Sitthi himself. We may consider sending a delegation to the United States to explain the matter.

The foreign minister said he wished that the general public would realize the importance of those problems and the difficulties in negotiating with the United States. It is very important and necessary that the Thai people at all levels, be they government officials, politicians, or the mass media, speak with the same voice so as to make a unified effort in our struggle for justice with the United States. He would like to make another point--that Thailand's economic situation is stable and foreigners are interested in it. This is our golden opportunity. It is important for us at present to try to preserve our existing markets while trying to seek new markets. We should not allow obstacles to obstruct our progress in this area.

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CSO: 4200/736

EDITORIAL VIEWS AFL-CIO PETITION ON UNFAIR TRADE

BK210916 Bangkok THAI RAT in Thai 19 Jul 87 p 3

[Editorial: "Whose Rights and Interests?"]

[Text] An influential labor organization of the United States, the AFL-CIO, reportedly proposed to the U.S. President the withdrawal of the duty-free GSP privileges of six countries, including Thailand, because those countries abuse child labor and violate worker rights. This is another protectionist move by the United States.

According to the report, the U.S. President has received the petition but will not make a decision until April 1988. Although that is a long time away, Thailand may eventually suffer a serious loss of exports if the U.S. Government decides in favor of the labor union. This will severely affect employment in Thailand.

The accusations made by the AFL-CIO about Thailand's abuse of child labor and prohibition against setting up of labor unions are unclear. They are merely an excuse to substantiate its call for protecting U.S. trade.

In fact, the U.S. losses from competition from other countries is very slight. Only a small percentage of goods from other countries with duty-free or GSP privileges is more competitive than U.S. products; of this includes textile goods from Thailand. The United States should therefore carefully study this before deciding next April.

Meanwhile, the United States continues to control world markets as leader of the free world. Thailand itself is a customer importing various goods from the United States. The U.S. labor organization also benefits from worldwide exports of U.S.-manufactured goods.

The growing isolation of the United States will only harm long-term relations with its alliances, especially at a time when political and economic rivalries between the two camps of the world powers are growing intense. The United States would stand to lose if it thinks only of small gains for its labor organization.

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CSO: 4200/736

TRADE DEFICIT WORSENS IN FIRST HALF OF 1987

BK150159 Bangkok BANGKOK POST in English 15 Jul 87 p 15

[Text] Thailand's trade deficit in the first half of this year soared by 324.94 percent to 15,310.7 million baht, almost reaching the 15,500-million-baht level projected earlier for the whole year.

The Business Economics Department (BED), taking the 6-month deficit into account, estimated that this year's overall exports would reach 267,500 million baht, up from an earlier projection of 254,500 and imports 290,000 million baht, up from 270,000 million baht predicted earlier, resulting in a trade deficit of 22,500 million baht, up from an earlier estimated of 15,500 million baht.

BED Director-General Somphon Kiatphaibun attributed the almost four-fold rise in the trade deficit to higher oil prices and the ongoing economic recovery which caused capital goods imports to go up sharply.

He said January-June exports were estimated to total 133,500 million baht, up 17.02 percent from last year's first half, and imports 148,810.7 million baht, up 26.045 percent.

He said the export items whose values soared were garments, 63.95 percent; gems and jewelry setting, 65.49 percent; shoes, 69.47 percent; frozen squid, 41.31 percent; and rubber, 25.71 percent.

He said exports of luggage made of cloth, leather, and plastics, air conditioners and parts, and toys rose sharply by 261.43 percent, 155.83 percent and 140.70 percent, respectively, due to increased demand abroad as a result of the sharp appreciation of major currencies, particularly the Japanese yen.

But exports of several items dropped during this year's first half as anticipated, including rice, 11.64 percent; integrated circuits, 1.93 percent; fabrics, 3 percent; and sugar, 5.57 percent. Maize exports plunged by 60.36 percent due to stiff competition from the United States disabling Thailand to win many tenders called by South Korean importers.

Sector-wise, exports of industrial items went up by 28.21 percent and others by 37.26 percent, but those of agricultural and fisheries products fell by 0.13 percent and mineral ores and energy by 14.67 percent.

On imports, Mr Somphon said all sectors increased, particularly raw materials and semi-finished products, up 43.87 percent, due mainly to almost 100 percent rise in imports of yarns and fibres for the textile industry.

Also up were imports of automobiles and vehicles, 38.88 percent; capital goods, 21.46 percent; consumer products, 23.50 percent; and energy, 14.37 percent.

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CSO: 4200/736

THAILAND

LAO AUTHORITIES FAIL TO PICK UP AIRCRAFT

BK170821 Bangkok BANGKOK WORLD in English 17 Jul 87 p 3

[Text] Laotian authorities this morning failed to show up to take three planes which had been flown into Thailand by Laotian pilots in the past 4 years, Chief of Informations of the Royal Thai Air Force Group Captain Withawat Bunnao said this morning.

It was the fourth time that Laotian authorities cancelled sending representatives to pick up the aircraft which the Thai Government wants to hand back to Laos.

The three aircraft comprise two T-28 and one AN-2 which are being kept at the 23d Wing Headquarters in Udon Thani.

Group Captain Withawat said he was told that the Laotian Government had sold all the aircraft to a private company, the STM.

He said nine aircraft had been flown into Thailand since Laos became a socialist country. They included four 34 D helicopters, one T-41, and one C-47 (Dagota).

He said that Thailand wanted to show its good gesture to Laos.

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CSO: 4200/736



THAILAND

KING TELLS BANGKOK GOVERNOR TO CUT PROJECT COSTS

BK150229 Bangkok BANGKOK POST in English 15 Jul 87 p 2

[Text] His Majesty the King wants the Bangkok Metropolitan Administration to scale down the project to build a pavilion at Makkasan swamp to cut costs, Bangkok Governor Chamlong Simuang disclosed yesterday.

Governor Chamlong said His Majesty made the suggestion during his visit to the Marble Temple on the National Tree Planting Day last Saturday.

The governor immediately ordered his men to review the educational pavilion project.

The construction cost of the pavilion was originally estimated at 1.2 million baht, but the scaled-down version would cost only half a million baht, Maj-Gen Chamlong said.

He added that the quality of water in the swamp had improved following the introduction of hyacinth and other water-borne plants for natural treatment as suggested by His Majesty during his visit there last month.

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CSO: 4200/736

## THAILAND

### BRIEFS

**INVESTMENT OFFICE IN TAIWAN**--The Board of Investment (BOI) of Thailand is to establish a representative office in Taipei to promote investment in Thailand among Taiwanese investors, BOI Secretary General Chira Phanuphong said at the weekend. He said that the opening of the office was part of the authority's efforts to supplement the Thai private sectors' volunteer investment promotion to attract Taiwanese investors. The Thai institutions promoting Thailand in Taiwan included Bangkok Bank and the Thailand and Taiwan Industrial Development Service Center. He also reported that during the past 6 months about 49 projects with a combined investment of about 5.7 billion baht from Taiwanese investors had applied to the BOI for promotional privileges.

[Summary] [Bangkok Voice of Free Asia in English 1500 GMT 13 Jul 87 BK] /9599

**CHINESE FIRE ENGINE OFFER**--China has offered to sell fire engines to Thailand at prices about 40 percent cheaper than those from European countries, Police Lieutenant General Sawat Amonwiwat of the Office of the Police Department said. He told reporters that the offer was made during his recent visit to China to observe China's police administration and its police equipment, especially fire-fighting equipment. He said that the Chinese authorities had offered to sell the fire engines at friendly prices, only about 60 percent of the prices of the same products from European countries. He also revealed that he had sent a report on the offer to Police Department Director General of Police General Narong Mahanon for consideration. [Summary] [Bangkok ZHONG HUA RIBAO in Chinese 13 Jul 87 p 4 BK] /9599

**NEW TELEVISION STATION**--Public Relations Department (PRD) Director General Chamnong Kumanwisai yesterday laid the foundation for the country's fifth national television station. The "Educational and Public Services Broadcasting Station Channel 11" is designed, built, and equipped by Japanese under a grant of Y2,060 million (about 330 million baht) from the Japan International Cooperation Agency (JICA), a foreign aid body of Japan's Foreign Ministry. [Excerpt] [Bangkok THE NATION in English 14 Jul 87 p 2 BK] /9599

**GREENBELT PROJECT**--The much-publicized project to turn the Northeast into a greenbelt was launched with a big bang yesterday. Engineering soldiers yesterday set off explosives for earth excavations in four northeastern provinces. They will become water reservoirs when the rains come. The excavations were made in Nakhon Ratchasima, Khon Kaen, Roi Et, and Maha

Sarakham. The would-be reservoirs are designed to solve the problem of water shortage during the dry season. This is part of the ambitious plan being carried out jointly by the army and the government to help the region cope with drought and deforestation. But villagers said that the craters yesterday would be useless if there was no rain. [Text] [Bangkok THE NATION in English 16 Jul 87 p 2 BK] /9599

MILITARY TRUCK PURCHASE--The government has given the final approval to the Royal Thai Army's plan to acquire 1,800 1-1/4-ton military utilities trucks worth about 2,500 million baht from Mercedes Benz of Germany in the next 2 years. [Excerpt] [Bangkok BANGKOK POST in English 17 Jul 87 pp 13-28 BK] /9599

THAI ECONOMIC GROWTH--The Bank of Thailand has revised its projection of this year's economic growth to 5.5-6.0 percent, higher than its previous forecast of 4.5-5.0 percent made at the end of last year, because of the excellent economic performance in the first half of the year. Bank of Thailand Governor Kamchon Sathirakun forecast that the interest rate in the local banking system for the rest of the year would remain unchanged as the liquidity would remain high. As for the inflation rate, the Central Bank said it would rise to about 2.5-3.5 percent because the public had greater purchasing power. The trade deficit would be in the range of 35,000-40,000 million baht because exports would expand by about 15 percent, while imports would grow by 22 percent. [Excerpt] [Bangkok BANGKOK POST in English 17 Jul 87 p 13 BK] /9599

CSO: 4200/736

POLITICAL

VIETNAM

**NHAN DAN CONDEMNS U.S. 'INTERVENTION' IN PANAMA**

OW041219 Hanoi VNA in English 0728 GMT 4 Jul 87

[Text] Hanoi, 4 Jul (VNA)--Commenting on the present situation in Panama, the national daily NHAN DAN today describes the Panamanian government and people's reaction to the gross intervention of the United States in their internal affairs as "a fitting answer."

The paper says:

"The underlying cause of the prolonged and growing crisis in the U.S.-Panama relations is the U.S. policy of intervention, aggression, and exploitation toward Panama. It is public knowledge that over the past decades, the United States has illegally occupied part of the Panamanian territory, controlling the strategic Panama Canal from which it draws hundreds of millions of dollars of profit each year."

"In 1977," the paper recalls, "in face of the legitimate demand of the Panamanian people, the then U.S. President, Jimmy Carter, had to sign with the Panamanian government headed by General Torrijos a new agreement whereby the canal area will be returned to Panama on 31 December 1999."

However, since he came to office, U.S. President Reagan has made repeated attempts to put off the implementation of the agreement. On the contrary, it has unceasingly opposed Panama's efforts to seek a peaceful solution to the strained situation in Central America. Moreover, there are many indications that Washington is seeking excuses to cow the Panamanian government into submission. Also conspicuous are the U.S. manoeuvres to set up a new government which would faithfully defend the U.S. interests in Panama and the whole region."

"Everybody can see that the United States and no one else is the author of the present tense situation in Panama and Central America as a whole, and is running against the earnest desire for peace, independence, and freedom of the peoples in this region," NHAN DAN says in conclusion.

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CSO: 4200/734

POLITICAL

VIETNAM

ARMY PAPER SCORES WEINBERGER'S JAPAN VISIT

OW101403 Hanoi VNA in English 0736 GMT 10 Jul 87

[Text] Hanoi, 10 Jul (VNA)--The army paper QUAN DOI NHAN DAN today came out strongly against intensified Washington-Tokyo collusion in accelerating the arms race to outer space.

The article draws public attention to the recent visit to Japan by U.S. Defence Secretary C. Weinberger during which the host and guest discussed measures to modernize Japan's naval and air forces and intensify their military collusion against the so-called "increased threats by Soviet submarines" in the Pacific.

Referring to a U.S.-Japan agreement on Japanese companies' participation in the U.S.-initiated strategic defence initiative (SDI) programme, the paper notes that Japan has become the fifth country involved in the SDI programme and that it has aroused strong indignation from the people in Asia and elsewhere in the world.

It says: "The Japanese people once victim of U.S. atomic bombs, will not sit with folded arms to see the Tokyo ruling circles carrying out dangerous schemes detrimental to the earnest aspirations of the peoples in Japan and other Asian countries for peace, national independence, and democracy."

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CSO: 4200/734

## NGUYEN VAN LINH GREETES JCP ON ANNIVERSARY

OW141749 Hanoi VNA in English 1507 GMT 14 Jul 87

[Text] Hanoi, 14 Jul (VNA)—Nguyen Van Linh, general secretary of the Communist Party of Vietnam Central Committee, today extended warmest greetings to the Central Committee of the Japanese Communist Party on the 65th J.C.P. anniversary.

His congratulatory message extols the staunch struggle of the J.C.P. over the past 65 years against the arbitrary regime and aggressive militarism for the benefits of the working class and other labouring people in Japan and for peace and national independence of nations in Asia and the world as a whole.

It says: "Since World War II, the J.C.P. has become a vanguard contingent in the fight against U.S. imperialism and Japanese monopoly capital who are seeking to turn Japan into the most important base in their reactionary Asian-Pacific strategy. Your party has always stood in the van of the struggle against the U.S.-Japanese treaty of security and the restoration of Japanese militarism, for the Japanese people's welfare and democratic liberties and for making Japan an independent, democratic, peaceful, non-aligned and prosperous country.

Together with other democratic, progressive forces in Japan, the J.C.P. has made active contributions to the world people's struggle to oppose the arms race policy pursued by imperialism, avert the danger of nuclear holocaust and completely abolish nuclear weapons at the same time, the J.C.P. has always given warm support for the struggle of other peoples for national independence, social progress, and for a new international economic order."

"Over the past 65 years," the message goes on, "the J.C.P. has always been a party faithful to the communist ideology and a tested vanguard of the working class and the labouring people of Japan. It has played an increasingly important role in the political life of the country."

After highlighting the constant consolidation and development of the solidarity and cooperation between the C.P.V. and the J.C.P. over the past decades, the message says: "We avail ourselves of this occasion to express deep thanks to the Communist Party and other democratic and progressive forces of Japan for their wholehearted support and assistance to the Vietnamese people in their struggle for independence and freedom in the past as well as their socialist construction and national defense at present."



POLITICAL

VIETNAM

NGUYEN THANH BINH RECEIVES JCP REPRESENTATIVE

OW151847 Hanoi VNA in English 1511 GMT 15 Jul 87

[Text] Hanoi, 15 Jul (VNA)--Nguyen Thanh Binh, political bureau member of the Communist Party of Vietnam Central Committee, warmly received Yoshitomo Kobayashi, representative of the Japanese Communist Party (JCP) in Hanoi, today on the 65th JCP anniversary and the 95th birthday of Senzo Nosaka, honorary chairman of the party.

Also present was Trinh Ngoc Thai, deputy head of the international department of the CPV CC.

Nguyen Thanh Binh praised the tradition of staunch, glorious struggle of the JCP over the past 65 years, and highly valued its active contributions to the consolidation and strengthening of the friendship and cooperation between the parties and people of Vietnam and Japan.

He expressed sincere thanks to the Communist Party, the working class and people of Japan for their solidarity with and support for the Vietnamese people in their cause of national defence and construction.

Yoshitomo Kobayashi expressed the Japanese communists' joy at the developing relations of the two parties, he said. He believed that the Japanese and Vietnamese peoples will continue to obtain still more achievements in their glorious cause.

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CSO: 4200/734

## NHAN DAN MARKS JAPAN COMMUNIST PARTY ANNIVERSARY

OW150807 Hanoi VNA in English 0720 GMT 15 Jul 87

[Text] Hanoi, 15 Jul (VNA)--Marking the 65th anniversary of the Japanese Communist Party (15 July), the daily NHAN DAN today editorially underscores its increasingly important role in Japan's political life.

The paper of the Communist Party of Vietnam says:

"In the 65 years since its founding, the Japanese Communist Party has led a tireless struggle for the authentic interests of the working class and labouring people of Japan, and has won glorious successes. It has been universally recognized as the valiant vanguard of the Japanese working class, and the genuine representative of the Japanese people as a whole."

"Today," the paper says, "the Japanese monopoly capital, in its position as a dependent ally of the United States, is stepping up its economic onslaught. Japanese militarism is being restored, posing a serious threat to peace in Asia and the sovereignty of all nations in the region. At this juncture, the working class and labouring people of Japan are faced with two strategic tasks, namely to put an end to the rule of U.S. imperialism and regain real independence to Japan and secondly, to abolish the rule of Japanese monopoly capital and achieve the people's democratic revolution in the advance to the socialist revolution."

"The J.C.P. has always marched in the van of this struggle, for the immediate goal of scrapping the U.S.-Japanese security treaty, dismantling all U.S. military bases and nuclear weapons on Japan's territory, and for foiling the schemes of the U.S. imperialists and the Japanese ruling circles to turn Japan into the most important stronghold of imperialism to oppress the peoples in Asia and the Pacific."

The paper highlights the spirit of proletarian internationalism of the J.C.P. which stood in the forefront of the Japanese people's struggle to support the Vietnamese struggle for independence and freedom, condemn the U.S. aggression against Vietnam, Laos, and Kampuchea and is again taking the lead in the Japanese people's solidarity with and support for the Vietnamese people's present socialist construction and national defence.

"On the occasion of the 65th anniversary of the J.C.P. the communists and people of Vietnam extend their warmest greetings to the Japanese working class and people, and wish for constant development of the militant solidarity and friendship between the two parties and peoples," NHAN DAN concludes.

## USSR TRAINS MANY WATER CONSERVANCY WORKERS

OW190731 Hanoi VNA in English 0708 GMT 19 Jul 87

[Text] Hanoi, 19 Jul (VNA)—Over the past 30 years the Soviet Union has helped Vietnam train 13 professors, 2 doctors, 62 candidate doctors, and 198 engineers for the water conservancy service.

Today, Vietnam has a contingent of 32 professors, 3 doctors, 129 candidate doctors, 7,000 university graduates, 13,000 secondary-level technicians, and tens of thousands of specialized workers in water conservancy. This compares to only 10 engineers in the colonial days.

Thirty percent of the department here at the College of Water Conservancy was trained in the Soviet Union.

Since 1967, the water conservancy service has sent 411 of its cadres to the Soviet Union for practice and study in project management.

The Soviet Union is training a large number of Vietnamese technicians who will be assigned to the Tri An hydro-electric project east of Ho Chi Minh City.

The Hanoi Water Conservancy College and the Irrigation and Agricultural Mechanization College in Tashkent here signed a cooperation plan for the training of highly qualified engineers of water conservancy.

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CSO: 4200/734

POLITICAL

VIETNAM

HOANG TRUONG MINH ATTENDS FUNCTIONS IN LAOS

BK200949 Hanoi Domestic Service in Vietnamese 0500 GMT 19 Jul 87

[Text] At the invitation of the Laos-Vietnam Friendship Association, the Vietnam-Laos Friendship Association delegation led by Comrade Hoang Truong Minh, member of the CPV Central Committee, vice chairman of the National Assembly, and chairman of the Vietnam-Laos Friendship Association, arrived in Vientiane on 16 July to pay a friendly visit to Laos and attend functions on the month of Laos-Vietnam friendship and the commemoration of the 10th anniversary of the SRV-LPDR Treaty of Friendship and Cooperation--18 July 1977-18 July 1987.

In the evening of 16 July, the Laos-Vietnam Friendship Association's executive committee held a reception in honor of the Vietnamese delegation. Comrade Inpong Kha-Onavong, member of the LPRP Central Committee and acting foreign minister, and SRV Ambassador to Laos Nguyen Xuan attended the reception.

On 17 July the Vietnamese delegation visited the Lao revolutionary museum, the Vientiane-Hanoi brick and tile factory, and the Vientiane brewery. The delegation also attended a ceremony to confer Vietnamese Friendship Orders awarded by the SRV Council of State to 10 provinces and 3 units of Laos for their great contributions to the border delimitation work and planting of marker posts along the Vietnamese-Lao border.

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CSO: 4200/734

POLITICAL

VIETNAM

SRV, LAOS COOPERATE IN BUILDING IRRIGATION WORKS

OW180927 Hanoi VNA in English 0714 GMT 18 Jul 87

[Text] Hanoi, 18 Jul (VNA)--The mutual assistance and cooperation between Vietnam and Laos in the construction of irrigation projects have seen new qualitative development since the signing of the treaty of friendship and cooperation between the countries 10 years ago.

Vietnam's irrigation service has cooperated with the Lao side in the zoning, designing, and building of five big irrigation projects in Laos, capable of watering from 2,000 to 7,000 hectares of crop fields. It has also helped Vientiane Province mark off 40,00 hectares for rice cultivation.

Vietnamese provinces have given material assistance to their twinned Lao provinces in constructing many medium- and small-size irrigation projects. More than 200 Vietnamese experts have gone to Laos to help their Lao colleagues in this field, especially in personnel training. In addition, 17 engineers and 70 skilled technicians of irrigation have been trained in Vietnam and hundreds of Lao students are studying at hydrological colleges in Vietnam. The two countries' irrigation services have exchanged their visits for further cooperation in this field.

Earlier, Vietnam helped Laos build and restore over 1,000 small irrigation projects to ensure adequate supply of water for more than 16,700 hectares of crop land.

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CSO: 4200/734



## DEVELOPMENT AID TO LAOS IN LAST DECADE REVIEWED

OW181858 Hanoi VNA in English 1522 GMT 18 Jul 87

[Text] Hanoi, 18 Jul (VNA)--Following the signing 10 years ago of the Vietnam-Laos Treaty of Friendship and Operation, Vietnam has helped its neighbour carry out 544 socio-economic projects.

Of these projects 244 were funded by Vietnamese gratuitous aid and the rest by non-interest, long-term loans.

The assistance and cooperation covered basic surveys of natural resources including an iron mine in Xieng Khoang Province, a coal mine in Saravane Province, salt and gypsum mines in Savannakhet, and a potassium mine in the plain of Vientiane and many forests in provinces.

On the agricultural field, Vietnam helped Laos in [words indistinct] 19 key districts in Vientiane, Zampassak, and Savannakhet Provinces, practicing intensive cultivation of rice and building many water conservancy projects. It also provided Laos with feed rice and chicken and cattle breeds. Vietnam assisted Laos in building or broadening factories for producing farm tools, bricks and tiles, sugar, paper, bicycle tyres, and plastic goods. It supplied equipment for textile mills and built small hydro-electric power stations.

Vietnam helped Laos in building many schools, workshops, public offices and about 88,000 square metres of dwelling houses. It also sent hundreds of technicians and experts to help their Lao colleagues in various fields of activity.

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POLITICAL

VIETNAM

**YOUTHS HOLD MEETING TO SUPPORT DPRK STRUGGLE**

OW211524 Hanoi VNA in English 1501 GMT 21 Jul 87

[Text] Hanoi, 21 Jul (VNA)--A 500-strong meeting of Hanoi youth and college students was organized here this afternoon in response to the month of solidarity with the Korean people's fight against U.S. imperialism.

Also present at the meeting was Kim Chong-song, ambassador of the Democratic People's Republic of Korea to Vietnam.

The meeting resolutely condemned the U.S. imperialists' policy of aggression against Korea and demanded for the withdrawal of U.S. troops from South Korea to let the Korean people settle their own affairs without foreign interference.

The meeting reiterated its full, persistent support for the Korean people's struggle for the reunification of their country, for the DPRK government's new, goodwill initiatives aimed at turning the Korean peninsula into a region of peace and free of nuclear weapons.

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CSO: 4200/734

## LEADERS RECOGNIZE NICARAGUAN LIBERATION DAY

OW181752 Hanoi VNA in English 1542 GMT 18 Jul 87

[Text] Hanoi, 18 Jul (VNA)--Vietnamese leaders have extended greetings to their Nicaraguan counterparts on the eighth anniversary of Nicaragua's Liberation Day (19 July).

The message, jointly signed by party General Secretary Nguyen Van Linh; State Council President Vo Chi Cong and chairman of the Council of Ministers Pham Hung, highly extolled the Nicaraguan people's historic victory on 19 July 1979, as an [words indistinct] link in the neo-colonialist system of the United States in the western hemisphere, vigorously encouraging the revolutionary and national liberation movement of the peoples in Latin America and elsewhere in the world."

It highlighted the all-sided achievements made by the Nicaraguan people under the correct, clear-sighted leadership of the Sandinista National Liberation Front and the Nicaraguan government over the past 8 years, thus foiling all schemes and acts of aggression by the U.S. imperialists and their henchmen.

It expressed the Vietnamese people's conviction that "no force, however obstinate and barbarous it may be, can check the advance of the heroic Nicaraguan people in their struggle to defend their independence and sovereignty, and to build a prosperous country."

The message affirmed the Vietnamese people's full support for the Nicaraguan people's just and surely victorious cause.

On this occasion chairman of the National Assembly Le Quang Dao, and Foreign Minister Nguyen Co Thach have also extended greetings to their Nicaraguan counterparts, respectively Carlos Nunez and Miguel d'Escoto Brockmann.

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CSO: 4200/734

## NHAN DAN COMMENTARY ON NICARAGUAN ANNIVERSARY

OW190747 Hanoi VNA in English 0711 GMT 19 Jul 87

[Text] Hanoi, 19 Jul (VNA)--Marking the eighth liberation day of Nicaragua, the national daily NHAN DAN today voices the Vietnamese people's full support for the Nicaraguan people's heroic struggle for national independence and freedom.

The paper commentary says:

"The victory won by the Nicaraguan people in their liberation struggle 8 years ago was a strong blow to the U.S. imperialists' neo-colonial system in the western hemisphere, it has once again testified to the fact that revolution is capable of success even in a small country close to the northern American imperialist ringleader."

The paper continues:

"The Nicaraguan revolution has been consolidated and reinforced step by step on the basis of a new democracy. The revolutionary administration really belongs to the people and is elected by the people, it is Nicaragua's legal and constitutional administration which is increasingly bringing into full play its leading role in undertaking the important political tasks of Nicaragua.

"All the revolutionary and administrative bodies from the centre to the grass-roots have become a single unified bloc, acting for the benefits of the whole nation, meanwhile, the revolutionary armed forces, discharging their dual task of fighting and building and supported by people's war, have constantly grown up, ready to foil all adventurous schemes of imperialism and its henchmen."

"Though still facing numerous economic difficulties," the paper notes, "the Nicaraguan revolutionary state has never desisted from its major task of improving the people's living standard, particularly in housing, health care, culture, and education."

"The remarkable achievements recorded over the past 8 years by the heroic Nicaraguan people bear a very important significance. They have created new conditions for the Nicaraguan revolution to continue its firm advance," NHAN DAN says in conclusion.

POLITICAL

VIETNAM

SRV FRIENDSHIP COMMITTEE CELEBRATES IRAQI NATIONAL DAY

OW211752 Hanoi VNA in English 1504 GMT 21 Jul 87

[Text] Hanoi, 21 Jul (VNA)--"The Vietnamese people understand the legitimate aspiration of the Iraqi people to put an early end to the Iran-Iraq war to pave the way for national construction," said Truong Thien, deputy head of the general department for oil and natural gas and vice president of the Vietnam-Iraq Friendship Association.

He was speaking at a meeting jointly sponsored here today by the Vietnam Committee for Solidarity and Friendship with other peoples and the Vietnam-Iraq Friendship Association to mark the 19th National Day of Iraq (17 July). Truong Thien stressed that the Vietnamese people wish to see an early political solution to the war on the basis of respecting the basic national rights of the peoples of Iran and Iraq, and of peace, security and stability in the region and the world as a whole. He also praised the achievements obtained by the Iraqi people over the past 19 years.

Taking the floor, Iraqi Charge d'Affaires A. I. Hasan Ibrahim D. al-Ahmi expressed his joy at the new development of the Iraqi-Vietnamese friendship and cooperation in the common interests of the two peoples. He also appreciated Vietnam's stand toward a peaceful end to the Gulf war and its support for the Iraqi people's efforts to build their country in peace.

The meeting was also attended by Trinh Ngoc Thai, general secretary of the solidarity and friendship committee, and Doan Tranh Canh, vice president of the Vietnam Committee and solidarity with Asian peoples.

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CSO: 4200/734



POLITICAL

VIETNAM

CPV GREETs CONGRESS OF MOROCCAN SOCIALISTS

OW171822 Hanoi VNA in English 1558 GMT 17 Jul 87

[Text] Hanoi, 17 Jul (VNA)--The Central Committee of the Communist Party of Vietnam today extended warmest greetings to the fourth congress of the Progressive and Socialist Party of Morocco (PPS).

Its message highly values the valient struggle of the PPS led by Secretary General Ali Yata against imperialism, colonialism, and other reactionary forces for social welfare and democracy which has actively contributed to the common fight of the peoples in the Middle East and elsewhere in the world for peace, national independence, democracy, and social progress.

The message says: "The party and people of Vietnam believe that in the light of the resolutions to be adopted by your congress, the PPS would record still greater achievements in its lofty revolutionary cause."

"On this occasion," the message says, "we would like to thank your party, the working class and people of Morocco for their support for the Vietnamese people in their wars of resistance against foreign aggression in the past and in socialist construction and national defence at present."

The message wishes the PPS' fourth congress fine success and the friendship and solidarity between the parties and peoples of Vietnam and Morocco further consolidation and development.

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CSO: 4200/734

POLITICAL

VIETNAM

SRV LEADERS CONGRATULATE COUNTERPARTS ON POLISH NATIONAL DAY

OW211754 Hanoi VNA in English 1508 GMT 21 Jul 87

[Text] Hanoi, 21 Jul (VNA)--Vietnamese leaders today extended greetings to their Polish counterparts on the 43d National Day of the Polish People's Republic (22 Jul).

The message, jointly signed by Nguyen Van Linh, general secretary of the Communist Party of Vietnam Central Committee; Vo Chi Cong, president of the State Council; and Pham Hung, chairman of the Council of Ministers, was addressed to Wojciech Jaruzelski, first secretary of the Polish United Workers' Party Central Committee and president of the Council of State; and Zbigniew Messner, chairman of the Council of Ministers.

The message highlighted the big successes recorded by the Polish people under the leadership of the P.U.W.P over the past 43 years in building their country and defending socialism. It fully supported Poland's initiatives for peace, especially the 8 May 1987 proposal of Wojciech Jaruzelski for reducing conventional and nuclear weapons in Central Europe.

The communists and the entire people of Vietnam, the message continued, rejoice at the achievements recorded by the Polish people in normalizing their socio-political and economic life and wish them success in implementing the programme and resolution of the 10th PUMP congress to build a socialist and prosperous Poland.

The message highly valued the fraternal friendship and comprehensive cooperation between the parties, governments, and peoples of Vietnam and Poland on the basis of Marxism-Leninism and proletarian internationalism. It voiced the Vietnamese people's determination to constantly strengthen and develop these ties in the interests of the revolution in each country and for the sake of peace and socialism.

Also on this occasion, chairman of the National Assembly Le Quang Dao has cabled greetings to his Polish counterpart, Roman Malinowski.

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CSO: 4200/734

## BRIEFS

**SOCIAL SCIENCES AGREEMENT SIGNED**--Hanoi VNA July 14--An agreement on strengthening cooperation for 1987-90 between Vietnam's institutes of Marxism-Leninism and its counterpart in the German Democratic Republic was signed in Berlin recently. The signing took place during a visit to the GDR by a delegation of the institute led by vice director Dang Xuan Ky. While there, the delegation compared notes on social scientific research with the GDR Institute of Marxism-Leninism and other institutions of the Socialist Unity Party of Germany (SED). [Text] [Hanoi VNA in English 0718 GMT 14 Jul 87 OW]

**CONG GREETES FRENCH NATIONAL DAY**--Hanoi VNA July 13--President of the Council of State Vo Chi Cong today extended greetings to President Francois Mitterrand on the National Day of France (July 14). In his message, President Vo Chi Cong expressed the wish for the constant consolidation and development of the friendship and cooperation between Vietnam and France in the interests of the two peoples, and for peace in Southeast Asia and elsewhere in the world. He also wished the French people happiness and prosperity. [Text] [Hanoi VNA in English 1459 GMT 13 Jul 87 OW]

**SOVIET PERIODICAL PUBLISHED**--Hanoi VNA July 15--As from this month, the bulletin "LIEN XO NGAY NAY" (Soviet Union Today) in the Vietnamese language will be printed in Ho Chi Minh City. The monthly bulletin, published by the Soviet Embassy and with articles and photos of the Soviet News Agency APN, will have a circulation of 30,000 for southern provinces. [Text] [Hanoi VNA in English 0706 GMT 15 Jul 87 OW]

**YOUTH UNION MEETING**--Hanoi VNA July 15--Representatives of the more than one million young people in Ho Chi Minh City have met in the recent Fourth Congress of the City's Communist Youth Union Organization. The congress discussed three main topics: jobs for young people, care for teenagers and renovation of union work. On the occasion the State Council presented the Independence Order, Third Class, to the city's youth movement for its outstanding contributions to the Vietnamese revolution. Also at the congress, Vu Mao, first secretary of the Executive Committee of the Union, presented the "Courageous Youth" Medal to those who had engaged in the struggle against negative aspects in the city. [Text] [Hanoi VNA in English 0707 GMT 15 Jul 87 OW]

RECEPTION HELD--Hanoi VNA July 14--The French ambassador and Mrs Louis Amigues gave a reception here tonight in honour of their country's National Day (July 14). Among those present on the occasion were Doan Duy Thanh, vice chairman of the council of ministers and minister of foreign trade, and Dinh Nho Liem, first secretary minister for foreign affairs. Members of the diplomatic corps and representatives of international organizations in Vietnam were present. The host and hostess, vice chairman Doan Duy Thanh, and others proposed toasts to the constant consolidation and development of the friendship and cooperation between France and Vietnam. [Text] [Hanoi VNA in English 1520 GMT 14 Jul 87 OW]

NEW PRK CONSUL GENERAL--On 22 June, Comrade Sok Samnang presented the PRK Government's credentials appointing him consul general to Ho Chi Minh City. Entrusted by our Ministry of Foreign Affairs, Comrade Le Quang Chanh, vice chairman of the city People's Committee, accepted the envoy's credentials. Also present at the ceremony to present the credentials were Comrade Vu Hac Bong, director of foreign affairs service, and Comrade Tit Sarunret, outgoing PRK consul general to the city. [Text] [Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 24 Jun 87 p 1] /9599

PARTY SECRETARY RECEIVES NEW PRK ENVOY--On 24 June, Comrade Vo Tran Chi, secretary of the Ho Chi Minh City party committee, received Comrade Sok Samnang, newly appointed PRK consul general to Ho Chi Minh City. On behalf of the city party committee and people's committee, Comrade Vo Tran Chi expressed his desire to consolidate and develop the relations of "comradely and brotherly" solidarity and friendship between the peoples of the two countries as well as between the peoples of Ho Chi Minh City and Phnom Penh. [Text] [Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 25 Jun 87 p 1] /9599

MAYOR RECEIVES NEW PRK ENVOY--On 26 June, Comrade Phan Van Khai, member of the party Central Committee and chairman of the Ho Chi Minh City People's Committee, received Comrade Sok Samnang on the occasion of his being appointed consul general to Ho Chi Minh City by the PRK Government. Comrade Phan Van Khai expressed his belief that the solidarity and close friendship between the parties, governments, and peoples of the two fraternal countries of Vietnam and Cambodia will be further strengthened and developed with each passing day. [Text] [Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 27 Jun 87 p 1] /9599

LE QUANG DAO GREETED ON ELECTION--Hanoi, 30 Jun (VNA)--Le Quang Dao, chairman of the National Assembly, has received congratulations from his foreign counterparts on his election to the post at the recent first session of the 8th National Assembly. The congratulations came from the Soviet Union, Laos, Kampuchea, Bulgaria, Cuba, the German Democratic Republic, Hungary, Mongolia, Czechoslovakia, Albania, the People's Democratic Republic of Korea, the People's Republic of China, Libya, and others. On his re-appointment as minister for foreign affairs, Nguyen Co Thach has also received congratulations from his opposite numbers in many countries. [Text] [Hanoi VNA in English 1456 GMT 30 Jun 87] /9599



VIETNAM-LAOS 'SPECIAL RELATIONSHIP'--The national newspaper NHAN DAN on Sunday [12 July] frontpaged an article on the Vietnam-Laos friendly relationship and cooperation. The paper said: During the past 10 years the Treaty of Friendship and Cooperation between Vietnam and Laos has been of great significance in the development of the special relationship and comprehensive cooperation between the two countries. The paper affirmed that Vietnam will try its best to further consolidate the strategic alliance between Vietnam and Laos and make their cooperation more effective. [Text] [Hanoi International Service in English 1000 GMT 12 Jul 87] /9599

USSR ANNIVERSARY PREPARATIONS--Hanoi, 13 Jul (VNA)--The party organisation and the chapter of the Vietnam-USSR Friendship Association of Hanoi have held a get-together here to start a cultural and artistic drive to welcome the 70th anniversary of the Russian October Socialist Revolution. The participants included Soviet Charge d'Affaires V. N. Miakotnykh and other members of the diplomatic corps. Also in anticipation of the anniversary the Vietnamese-Soviet Friendship Association chapter of Ho Chi Minh City and its Soviet twin city of Leningrad have signed a programme of cooperation for 1987-88. Under the programme, the two sides will regularly exchange working visits, information about Vietnam and the Soviet Union, and experiences to push up friendship activities between the two cities. [Text] [Hanoi VNA in English 0706 GMT 13 Jul 87] /9599

HANOI ECONOMIC AID TO VIENTIANE--Over the past nearly 10 years, despite the fact it still faced numerous difficulties in production and life, Hanoi, upholding the special friendship between the two fraternal countries of Vietnam and Laos, has actively assisted Vientiane in training cadres and technical workers and has invested hundreds of millions of dong to build scores of economic, technical, cultural, public health, and educational projects for Vientiane, thereby partly satisfying in a practical fashion the demand the Lao capital city's people of various nationalities for production development and gradually improving their material, cultural, and spiritual life. To date, Vientiane has put into operation 32 industrial, agricultural, cultural, educational, and public health projects built with assistance from Hanoi in technical equipment and in installation and operation of machinery. The projects include some given by Hanoi as nonrefundable aid worth 43 million kip. [Text] [Hanoi Domestic Service in Vietnamese 2300 GMT 15 Jul 87] /9599

AID WITH LAO COMMUNICATIONS, TRANSPORT--Hanoi, 17 Jul (VNA)--Since 1977, Vietnam has helped Laos build more than 400 km of highways and built a number of bridges with a total length of 1,500 metres, and transported 500,000 tons of cargoes via Vietnamese seaports. Vietnam also helped its land-locked neighbour build three passenger ships and 15 cargo vessels to ply along the Mekong River. Several new communication projects are now underway in Laos with bilateral or multilateral cooperation. The construction of 200-km highway 8 is a major project of the Vietnam-Laos bilateral cooperation. Vietnam also provided Laos with work force and technique to rebuild highway 9. [Text] [Hanoi VNA in English 1455 GMT 17 Jul 87] /9599



BRAZILIAN COMMUNISTS' CONGRESS GREETED--Hanoi, 17 Jul (VNA)--The Communist Party of Vietnam Central Committee today sent a message of greetings to the eighth congress of the Communist Party of Brazil (CPB). After highlighting the staunch and persistent struggle of the CPB over the past 65 years for freedom, democracy, and other legitimate rights of the Brazilian working class and other labouring people, the message says: "We are deeply convinced that in the light of the resolutions of the eighth CPB congress, your party will score still greater success in its lofty revolutionary cause, thus making active contributions to the common struggle of the peoples in Latin America, the Caribbean and elsewhere in the world for peace, national independence, and social progress, the fundamental objective of our time." The message wished the eighth CPB Congress brilliant success, and the militant solidarity and the fraternal friendship between the parties, the working classes and peoples of Vietnam and Brazil further consolidation and development. [Text] [Hanoi VNA in English 1601 GMT 17 Jul 87] /9599

IRAQI ENVOY GIVES NATIONAL DAY RECEPTION--Hanoi, 18 Jul (VNA)--The Iraqi Charge d'Affaires A. I. and Mrs Hasan Ibrahim D. al-Ahmi gave a reception here yesterday evening on Iraq's National Day (17 July). Their guests included Vice-Chairman of the Council of Ministers Nguyen Khanh; Water Conservancy Minister Nguyen Canh Dinh, Public Health Minister Dang Hoi Xuan and President of the Vietnam-Iraq Friendship Association Hoang Anh. Host and guest proposed toasts to the further development of the friendship and cooperation between Iraq and Vietnam. [Text] [Hanoi VNA in English 0712 GMT 18 Jul 87] /9599

JCP CEREMONY IN TOKYO--Hanoi, 18 Jul (VNA)--Dao Duy Tung, alternate member of the Politburo and secretary of the Communist Party of Vietnam Central Committee, has attended a ceremony in Tokyo marking the 65th anniversary of the Japanese Communist Party and the 95th birthday of its honorary chairman, Senzo Nosaka. Speaking at the function held by the JCP Central Committee, Dao Duy Tung praised the glorious struggle of the party over the past 65 years. He thanked the JCP and Chairman Senzo Nosaka himself for their warm support and valuable assistance to the Vietnamese people in their revolutionary cause in the past and their present efforts in socialist construction and national defence. On 15 July, Dao Duy Tung was received by Senko Nosaka and acting chairman of the Presidium of the Central Committee Hiromu Muymfmi [as received]. [Tex] [Hanoi VNA in English 1526 GMT 18 Jul 87] /9599

VICE PREMIER MEETS TRADE UNION DELEGATES--Hanoi, 20 Jul (VNA)--Vo Nguyen Giap, member of the party Central Committee and vice chairman of the Council of Ministers today, received delegates to the Asian-Pacific Trade Unions' Seminar on Young Workers recently held here. His guests included representatives of the World Federation of Trade Unions, U.N.E.S.C.O., and many trade union organizations in Asia and the Pacific. Vice Chairman Vo Nguyen Giap thanked the guests for their contributions to the seminar, which, he said, will help in the struggle for building Southeast Asia [into] a zone of peace, friendship, cooperation, and development, and without nuclear weapons. He voiced full support of the government and people of Vietnam for the earnest aspiration of the working people and trade union organizations in other Asian-Pacific countries in struggle for the fundamental rights of the working people, particularly the young ones. [Text] [Hanoi VNA in English 1551 GMT 20 Jul 87] /9599

## BRIEFS

EXPORT COMMODITIES INCREASED--Vietnam has stepped up the production of export commodities to meet the demand at home and abroad. In the first months of this year, the Hanoi fruit canned factory produced 11,000 tonnes of product, 35 percent over the corresponding period last year. The factory daily turns out from 20 to 30 tonnes of products for export. In the same period the Thuong Dinh canvas shoes enterprise exported to the Soviet Union, the GDR, Poland, and Mongolia more than 1.2 million products, the highest figure so far. Vietnam sugar coated-groundnuts are highly appreciated by European customers for their nice flavor. [Summary] [Hanoi International Service in English 1000 GMT 15 Jul 87 BK] /8309

HA NAM NINH ECONOMIC ZONE RESETTLERS--Despite numerous difficulties, Ha Nam Ninh Province has still been able to fulfill 57 percent of its annual resettlement plan over the past 6 months. More than 11,000 people, including 5,615 laborers, have been sent to build various new economic zones in Gia Lai-Cong Tum, Lam Dong, and Dac Lac Provinces. [Summary] [Hanoi Domestic Service in Vietnamese 2300 GMT 11 Jul 87 BK] /8309

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